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REPORTS ON THE
FINANCES ADMINISTRATION
AND CONDITION
OF EGYPT AND THE SOUDAN
IN 1905.

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BOMBAY BRANCH

OF THE

Royal Asiatic Society.

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REPORTS

BY

HIS MAJESTY'S AGENT AND CONSUL-GENERAL

ON THE

FINANCES, ADMINISTRATION, AND CONDITION

OF

EGYPT AND THE SOUDAN

IN

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BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

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No. 1.

The Earl of Cromer to Sir Edward Grey.—(*Received March* 17.)

Sir, *Cairo, March 8*, 1906.

I HAVE the honour to submit my Report on the progress made in the various Administrative Departments of the Egyptian Government during the year 1905.

For some while past, it has been the custom for one of the leading Arabic newspapers ("El-Mokattam") to issue a translation of my Annual Reports. Last year, for the first time, a French translation was published under the auspices of the Egyptian Government. I find on inquiry that, in all, 10,160 copies were issued. Of these, 4,800 were in Arabic, 4,442 in English, and 918 in French. Of the English copies, 1,847,* and of the French 218, were distributed gratis to Members of Parliament, officials, the press, &c., leaving a balance of 8,095 copies, which were either sold, or issued gratis by the proprietors of the "Mokattam" newspapers to their subscribers.

These figures would appear to point to the conclusion that a sufficient interest in these Reports is shown by the public to justify the continuance of their publication.

Some alterations have been made in the arrangement, heretofore adopted, of the different chapters. An index has also been added, with a view to facilitating reference to any special point.

I. GENERAL.

1. The Capitulations.

In my Report for the year 1904 I dwelt at some length on the desirability of modifying the system generally known as the régime of the Capitulations in Egypt. My remarks naturally attracted a good deal of public attention. I wish to bear testimony to the fairness and moderation with which the subject was generally discussed by the local press. It was natural that discussion should in a great measure take the form of considering in some detail whether any portion, and if so what portion, of the existing system can advantageously be modified. The various points to which attention has been drawn are, indeed, of great importance, but I venture to think that any attempt to arrive at a definite decision upon them would for the present be premature. My object in writing my last Annual Report was not so much to indicate the direction reform should ultimately take as to point out the necessity of creating some suitable machinery, which will enable the various reforms required to be adequately considered and eventually to be executed. I used the following language:—

"I have no hesitation in stating why the system known by the general term of the Capitulations, as it is now practised, is wholly incompatible with the present condition of affairs in Egypt. It is because Egypt stands in the unique position of an oriental country which has assimilated a very considerable portion of European civilization, and which is mainly governed by European methods, but which at the same time possesses no machinery for general legislation such as is possessed by the various States which, in judicial and administrative matters, it is taking as its model."

I then indicated, in very general terms, the nature of the remedy which I proposed. It was that "the Powers should transfer to Great Britain the legislative

* The issue to Public Offices and Members of Parliament absorbs 1,396 copies.

functions which they now collectively possess." I added that "the conditions of the transfer would require very careful consideration." I did not attempt to discuss the nature of those conditions, but I mentioned that "one of the necessary consequences of any transfer of power, such as I have suggested, would be the creation of some local machinery, which would take a part in the enactment of laws applicable to Europeans."

I concluded by expressing an opinion that "so long as the present cumbersome and unworkable system of legislation exists, it will be practically impossible to adapt the laws of Egypt to the growing requirements of the country." Further reflection and further experience have only served to strengthen this opinion. At present, no change can be made in any law applicable to Europeans without the unanimous consent of nearly all the Powers of Europe and of the United States of America. Experience has shown that, in matters of first rate importance, this unanimous consent can rarely be obtained, and that, even in relatively minor matters, the process is so tedious and beset with so many difficulties that, as often as not, the Egyptian Government, with whom the initiative lies, abandons the negotiations in despair of ever arriving at any practical result. In countries where Parliamentary institutions exist, comments are occasionally made upon the great difficulty to be encountered in legislating even on matters where little or no opposition is excited. My conviction is that the history of those countries might be examined in vain to find any analogy comparable to the difficulties which beset Egyptian legislation. The reason is obvious. When any proposal for a legislative change is made, the practice has been to assemble a Commission composed of the Diplomatic Representatives in Egypt. These latter delegate inquiry into the special points under discussion to a Sub-Commission composed almost entirely of the Judges of the Mixed Tribunals. It is natural enough that both in the Sub-Commission and in the Plenary Commission some differences of opinion should arise. Every one of these differences, even although they may only refer to minute points of detail, has to be referred to the fifteen Powers concerned. If some concession is made to satisfy one or more of the Powers, it is by no means certain that it will be accepted by others. Renewed reference to every capital in Europe then becomes necessary. Thus, the delays are interminable, so much so that, as I have already said, a reform which may be greatly in the interests of both the European and indigenous population of Egypt has to be abandoned, not because it encounters any really strong opposition from any quarter, but simply because no workable machinery exists which will enable the matter to be decided. A good illustration of the difficulties to which I am now alluding has recently occurred. Some two years ago, the Egyptian Government, in anticipation of a renewal in February 1905 of the powers exercised by the Mixed Tribunals, addressed a Circular to the Powers suggesting certain reforms. Very lengthy discussions have taken place, but most of the proposals, some of which are of no great importance, have, so far, not received the assent of the Powers. Yet I never remember a time during my lengthy Egyptian experience, when, relatively speaking, so much good-will was displayed in the direction of discussing the proposals of the Egyptian Government on their own merits, and without reference to non-Egyptian, and, therefore, irrelevant matters. The fact is that the individuals concerned are not at fault. The system is radically defective, and no amount of good-will on the part of those who have to take part in its working can remedy its defects.

In considering this question there are two points on which I cannot too strongly insist. In the first place, it appears sometimes to be thought that any modification of the existing system, although it might be beneficial to the interests of the indigenous population of Egypt, would be detrimental to those of the European residents in the country. I believe this view to be wholly erroneous. It is true that a change might, and I trust would, result in putting a stop to the abuses of privilege which now notoriously occur, but respectable Europeans, no less than Egyptians, are interested that no such abuses should be allowed, whilst both classes suffer equally from the absence of any adequate machinery for enacting the various measures dictated by the progress and growing prosperity of the country. I beg, in connection with this branch of the subject, to refer to the remarks made in my last Annual Report (pp. 7 and 90–97). The arguments adduced in that Report admit, I may observe, of further development.

In the second place, I am inclined to think that a suspicion at least prevails that Europeans will simply be asked to abandon their existing privileges without any adequate safeguards being provided to obviate a recurrence of those evils, which the Capitulations are intended to prevent. There is no ground whatever for any such suspicion. We have to deal with the circumstances of the situation as they are. The present stage of Egyptian progress, and the facts connected with the police organization and other cognate matters, have to be recognized. Those facts are, as I

stated in my last Report, of such a nature as to impose special treatment of Europeans for a long time to come. "The well-being," I added, "of the numerous Europeans who have made Egypt their place of residence is indissolubly bound up with the well-being and prosperity of the country. I can conceive no greater calamity to the indigenous Egyptians than that the confidence of the best elements amongst the European communities in the institutions, under which they live and thrive, should be seriously shaken." It is on these principles that any proposals put forward under British auspices will be based. Moreover, although a few extremists may hold contrary opinions, I have every reason to believe that these principles command the assent generally of the thinking portion of the native Egyptian population. It may well be that any solution which can be found to the very difficult question now under discussion will be theoretically imperfect. This, however, will be of but slight importance provided it practically meets the existing requirements of the situation, and one of the main requirements of that situation is that whatever new legislative machinery is created should be of a nature to admit of the fullest and most impartial consideration being given to the special needs of the Europeans resident in Egypt.

The normal course of procedure in a matter of this sort would be that the Egyptian Government, after consultation with His Majesty's Government, should address a Circular to the Powers asking them to consent to certain changes in the existing laws. The issue of any such Circular would, however, I venture to think, be for the present premature. The subject now under discussion is of very special importance. It is one, as I said in my recent Report, which concerns every dweller in Egypt, and all those who have dealings with Egypt, of whatsoever nationality or creed they may be. Under these circumstances, it would appear desirable, before addressing the Powers, to ascertain, somewhat more fully than is at present possible, the views both of the leading Egyptians and of the European residents in Egypt upon the matter now under discussion. The remarks made in my Report, although they gave a clear indication of the direction in which a move should, in my opinion, be made, were not sufficiently precise or ample to enable any thorough appreciation to be formed of the nature of the proposed changes. I stated, indeed, explicitly that I did not at that time "propose to develop any very definite or detailed plan for immediate action," and that my remarks were rather intended to "turn the attention of the Government and of the Egyptian public to reform in the direction indicated." I am not even now prepared to submit a plan elaborated in all its details, but I may go a step further than previously in the direction of indicating the general nature of the reform which, as it would appear to me, the circumstances of the case demand. This is what I now propose to do. In addition to the comments in the local press to which the remarks I am about to make will, without doubt, give rise, I should be very glad if the Chambers of Commerce and other similar Associations in Egypt, whatsoever nationality or special interests they may represent, would favour me with their views. It would, of course, be Utopian to suppose that, in a matter of this sort, absolute unanimity of opinion can be secured. Nevertheless, I am sanguine enough to hope that the best elements in Egyptian society, whether European or native, will appreciate the necessity of dealing with this question in a broad and statesmanlike manner, and that they will be willing to co-operate in the discovery of a solution of the problem which will, so far as is possible, tend to conciliate the various conflicting interests concerned. The principal object I have in view, therefore, in writing this portion of my report is to elicit an expression of local opinion, which will be fully and impartially considered before any final and more detailed proposals are laid before His Majesty's Government.

With these preliminary remarks, I proceed to explain the general nature of the plan under which it is thought that Egypt may be endowed with legislative institutions suitable to the requirements of the country.

The first point which calls for consideration is whether the existing Legislative Council and Assembly, which are now only empowered to deal with laws applicable to local subjects, should be reconstituted in a sense which will enable them to take part in legislation applicable to all the inhabitants of Egypt irrespective of nationality; or whether, on the other hand, those institutions should be left intact, and another Council created which will be empowered to deal solely with laws affecting Europeans.

I should be prepared, should the necessity arise, to develop fully the arguments for and against these alternative plans. Here I need only say that a very careful consideration of this branch of the subject has led me to the conclusion that it would not be possible to devise any scheme for an amalgamated Council which could, with any prospect of its acceptance, be presented to the Powers, or one which would not, whether from the European or the native Egyptian point of view, be open to the

strongest objections. I would propose, therefore, to make no alteration in the constitution or the functions of the existing Legislative Council and Assembly, and to create a separate Council composed wholly of subjects or protected subjects of the Powers which were parties to the Treaties under which the judicial reforms of 1876 were accomplished. Legislation proposed to this Council by the Egyptian Government, approved by a majority of that body, and promulgated by the Egyptian Government with the assent of His Britannic Majesty's Government, would have the same force and effect as if it had received the assent of the Treaty Powers—that is to say, it would be binding on all foreigners resident in Egypt.

I am not blind to the theoretical objections which may be urged against this plan, or to the practical inconveniences which may arise from its adoption. So far as I am aware, no precedent can be found in any other country for the creation of two distinct Legislatures, each of which will deal with the laws binding on a separate branch of the same community. Moreover, although it might be arranged that Committees of the two Councils should meet together in order to discuss matters of common interest, I am aware that some practical inconvenience may be caused if, as is conceivable, the details of any law dealing with the same subject, and passed by the two Councils, were not altogether identic. But the plan would, I venture to think, be a great improvement on existing legislative methods. It would appear preferable both to disregard theoretical objections, and to incur the practical inconveniences of the dual system, rather than to try the very hazardous experiment of instituting a single amalgamated Council to deal with the laws binding on the whole community, both native and foreign.

It will be observed that, under the proposal made above, the Powers, with the exception of Great Britain, will cease to exercise any legislative functions. This, in fact, is the cardinal point of the whole plan. So long as legislation is, as at present, conducted by diplomacy, and so long as fifteen separate Powers each possess the right of *liberum veto* on each new legislative proposal, I regard any attempt to introduce the reforms, of which the country stands so much in need, as practically hopeless. The transfer of power to Great Britain is, as I said in my last Annual Report, "the natural and logical outcome of the new position occupied by the British Government in Egypt," a position which, it will be remembered, has been formally recognized by four of the principal Governments concerned. The traditional character of British predominance, wherever it has been acquired, and notably the strict impartiality with which the various races and creeds in Egypt have been treated since the British occupation commenced, afford in themselves a guarantee of no slight value that any fresh powers acquired by the British Government will not be abused. Further safeguards against any abuse of power may, however, not unreasonably be demanded, and may without difficulty or inconvenience be accorded. In the first place, it is to be observed that although, under the suggested plan, the Diplomatic Representatives of the various Powers will no longer take any direct part in Egyptian legislation, the interests of the European Colonies resident in Egypt will be adequately represented in the new Council, which it is proposed to create. In the second place, I have to draw attention to a point of great importance. During the last few years, the British Government has, under the force of circumstances, been generally placed in the position of advocating Egyptian interests in the various discussions, which have from time to time taken place between the Egyptian and other foreign Governments. It has, however, to be remembered that there exists in Egypt a large and important British Colony, over whose interests it is the duty and the desire of the British Government to watch with no less care and attention than are bestowed by other Governments on their respective Colonies. It is certain that His Majesty's Government will not surrender any portion of the privileges now enjoyed by British subjects resident in Egypt without securing adequate safeguards against an abuse of power. Foreign Governments may, therefore, feel assured that no harm can accrue to their interests if, in every respect, they acquire most-favoured-nation treatment. I would propose, therefore, that a specific engagement should be taken by both the British and Egyptian Governments that every reservation in favour of British subjects should enure for the benefit of subjects of other Powers. With this provision in hand, coupled with the further guarantees to which I will presently allude, I cannot but think that the Powers may safely leave to Great Britain the responsibility of approving any modifications in the existing régime.

Two important points remain to be considered. The first of these is the composition of the proposed Council. I have already said that, in my opinion, all the members, including the President, should be subjects, or protected subjects, of the Treaty Powers. I do not at present propose to elaborate any very detailed plan in connection with this branch of the subject. The following observations, however, occur to me.

In the first place, I conceive that it will be generally recognized that the Council should not be a very numerous body. Probably twenty-five to thirty members will suffice.

In the second place, a minority proportion will certainly have to be named by the Egyptian Government. It will also probably be desirable to lay down that, of this minority, no more than a certain proportion should be Government officials.*

The remainder, constituting a majority, should be elected. The method of their election will require very careful consideration. On this subject I need here only remark that, although I think it will be necessary to limit the numbers of any one nationality amongst the unofficial members of the Council, I deprecate the idea of distinct representation by nationality. To be more explicit, I do not think that it would be desirable to allow the British community to elect a certain number of British members, the French a certain number of French, and so on. A single illustration will at once show the difficulties which would arise were this principle adopted. According to the last census, made in 1897, the Greeks constituted 33·94 and the Germans only 1·14 per cent. of the entire European population of Egypt. On the other hand, in 1904 the import and export trade of Germany amounted to £ E. 2,884,000, and that of Greece to only £ E. 281,000. It seems impossible to decide in a case of this sort whether population or trade should be taken as the basis of representation. A preferable system would appear to be to exclude altogether political interests, which centre mainly round the Suez Canal; to take purely local interests, whether derived from the possession of real property or trade, as the basis of representation, and to allow those interests to be represented by Europeans of any nationality whatsoever, but with the proviso that not more than a certain number of members should be of any one nationality.

I may add that I should not advise His Majesty's Government to claim any special representation for British interests, properly so called. Those interests are identic with those of all other Europeans resident in Egypt. They do not require any special protection in a Council composed wholly of Europeans. On the other hand, it is very necessary to provide that the Egyptian view of any measure under the consideration of the Council should be adequately explained. This can only be assured by the presence in the Council of a certain limited number of European officials in the service of the Egyptian Government. Most, though not necessarily all, of these officials would be of British nationality.

The other point which requires consideration is to define, more precisely than has been at present attempted, the nature of the functions which might be conferred on the new Council. In this connection two alternative principles present themselves for choice. One is to define what the Council may do. The other is to make certain reservations limiting the powers of the Council, and leaving that body free in respect to all points not specially reserved. In the proposals which I am about to put forward the latter of these two principles will be adopted.

It is obvious that certain subjects must be absolutely excluded from the purview of the Council. The most important of these are the Suez Canal Convention of the 29th October, 1888, and the Law as to the Public Debt of the 28th November, 1904, in so far as it relates to the rights and guarantees of the bondholders and the powers of the Public Debt Commission.

As regards commercial relations, it will be desirable to lay down, in any arrangement made with the Powers, that the Egyptian Government cannot derogate from the provisions as to freedom of trade, or as to the rates at which import, export, and transit dues are levied in virtue of any Commercial Convention concluded, or hereafter to be concluded, with foreign Governments.

Quarantine matters might be arranged on the principle that all matters connected with safeguarding foreign countries from the introduction of disease by ships passing through the Canal should, as at present, be arranged diplomatically with the other Powers. The preservation of Egypt itself from disease should lie entirely within the functions of the Egyptian Government, who would have to submit any proposed measures they may wish to adopt to the European and native branches of the Legislature, unless it were in the power of the Executive Government to enact those measures without special legislation.

I have here only attempted to deal with the more important questions as to which reservations would have to be made. I do not doubt that, in the course of discussion, other points of a somewhat similar nature will arise. Thus, no legislation could be permitted which would interfere with the liberty of action now possessed by all foreigners

* I may observe that, for the purposes of this argument, it would appear that those Judges who are irremovable from office should not be considered as "Government officials."

to establish schools in Egypt. It might be thought desirable to lay down specifically that under no circumstances could foreigners be made liable to military conscription or to the "corvée." Legislation which deals with questions of nationality might be expressly excluded from the purview of the Council. The status of religious Societies may require special treatment. Engagements taken to various Powers—such, for instance, as the appointment of a French *savant* to be Director-General of Antiquities (Article 1 of the Agreement of the 8th April, 1904)—might require reaffirmation. I need not, however, at present dwell on these minor points. So far as I am aware, they are not likely to present any serious difficulties.

I now turn to the important questions of criminal and civil jurisdiction.

I propose that the jurisdiction at present exercised in Egypt by Consular authorities in civil and criminal affairs shall cease, *pari passu* with the provision by the Egyptian Government, under the powers conferred and after adopting the legislative procedure prescribed by the Treaty which will have to be signed with the Powers, of Courts having competence to deal with such matters.

I do not, however, propose that complete legislative freedom of action in criminal matters should be conferred jointly on the British and Egyptian Governments acting with the assent of the new Council. I suggest the following reservations :—

(*a.*) That no subject or protected subject of any of the Treaty Powers shall be proceeded against for any offence under any procedure which shall not insure to him the right of having his case submitted, before it is finally decided, to a Judge who is himself a subject of one of those Powers, or to a Tribunal in which the proportion of members who are subjects of those Powers is not less than three-fifths.

(*b.*) That no sentence of imprisonment, or more severe sentence, passed upon a subject or protected subject of any of those Powers shall become enforceable, without the option of finding bail, until the accused person shall have had the opportunity of causing his case to be submitted to such Judge or Tribunal as aforesaid.

(*c.*) That no warrant for the arrest of any subject or protected subject of a Treaty Power shall be issued otherwise than by a Magistrate who is himself a subject of a Treaty Power, or with the authorization of such Magistrate.

(*d.*) That any subject or protected subject of a Treaty Power who is arrested on a criminal charge shall be entitled to be liberated on bail, or be brought within twenty-four hours before a Magistrate who is the subject of a Treaty Power.

(*e.*) That no search warrant or similar process, the execution of which involves the entry upon premises for access to which Consular intervention is necessary under the Capitulations, shall be issued otherwise than by a Magistrate who is the subject of a Treaty Power, or with the authorization of such Magistrate.

(*f.*) That in all cases in which the execution of a judgment, a search warrant, or other legal process involves the entry upon premises for access to which Consular intervention is necessary, such execution shall be carried out in the presence and under the direction of a police officer or officer of the Court who is the subject of a Treaty Power.

(*g.*) That no sentence of death passed upon any subject or protected subject of a Treaty Power shall be carried into execution until one calendar month after the notification of such sentence to the Representative in Egypt of that Power, and that every such sentence shall be commuted to one of penal servitude for life if within that period such Representative makes a request to that effect.

(*h.*) That every prison in which any subject or protected subject of a Treaty Power is confined shall at all reasonable times be open to the inspection of the Consular authorities of such Power.

It appears to me that, with these reservations, the power to pass criminal laws applicable to Europeans might safely be vested in the new Council, acting with the assent of the Egyptian and the British Governments.

As regards jurisdiction in civil matters, I would propose that, upon the signature of a Treaty with the Powers giving effect to the arrangements set forth in this report, the system of quinquennial periods for the Mixed Tribunals should cease and determine, and that the present régime of those Tribunals should remain in force unless and until it is altered by legislation approved by the Council and promulgated by the Egyptian and British Governments.

It might be specifically stated that the present Judges of the Mixed Tribunals, who may desire to remain in the service of the Egyptian Government, should be entitled to retain their posts and present salaries, and that their services should be available in any Courts which may in the future be established.

A further point of much importance has to be considered. I have already suggested

that a specific engagement should be taken by both the British and Egyptian Governments that every reservation in favour of British subjects should enure for the benefit of the subjects of other Powers. It has, however, been pointed out* that any general displacement of the present mixed law by English law would secure an effective preference for British subjects without technically violating the guarantee to which allusion is made above.

There is not, indeed, the smallest likelihood that an attempt will ever be made under British auspices to effect any radical change in the civil and criminal laws, which at present generally obtain in Egypt, and which, after an experience of thirty years, have now taken root in the country. Nevertheless, some specific guarantee against any such change may not unreasonably be demanded. I propose, therefore, that both the British and Egyptian Governments should make a formal declaration to the effect that they have no intention of changing the fundamental principles of the existing civil and criminal legislation, which will continue, as heretofore, to be in general those of the European codes, and more especially the codes of the Latin nations, with such additions and modifications as experience may show to be best suited to the needs and conditions of the country. A declaration of this sort, coupled with the fact that no change will be possible without the consent of the majority of a Council, in which what, for the purposes of the present argument, I may term the Latin interests will be fully represented, will afford an effective and ample guarantee that no legislation will be undertaken which will be open to the objection indicated above.

I should add that I would propose to provide in the Treaty that all Judges, whether engaged in criminal or civil affairs, who are at present irremovable from their offices, should continue to enjoy such irremovability; and, further, that Judges, who may be hereafter appointed to any superior Court or Courts which may be established, shall likewise be irremovable from their offices. The principle of irremovability should not, however, apply to a Judge's place of residence.

The language question is one that greatly interests the European communities resident in Egypt. On this subject, I would propose to lay down that all debates and discussions in the new Council should be conducted in English, French, or Italian, and that all journals, entries, minutes, and proceedings of the Council should be made and recorded in one or other of those languages, but that any member might record his written opinion in any other language.

I would further propose to lay down that it should not be lawful for the Council to authorize or prescribe the use for any purpose whatsoever of the English, French, or Italian languages without at the same time permitting the employment of all those languages on a similar footing.

Lastly, I have to observe that, however great may be the care bestowed on the drafting of a Treaty giving effect to the proposals made above, it is not improbable that, as the result of practical experience in the working of the new system, some questions of disputed interpretation may arise. It is desirable to provide some machinery for settling any possible disputes of this nature. I would propose that they should be referred to The Hague Arbitration Tribunal.

I claim that the scheme, of which I have given a general sketch above, is "conceived in a liberal and tolerant spirit," and that, although some of the details may require modification and alteration, the general plan is of a nature to meet the present requirements of the Egyptian situation. For the moment my work is complete, but a heavy responsibility rests on the leaders of public opinion in Egypt, whether European or native. I do not conceal from myself the fact that, should the proposals I have made encounter vehement and unanimous opposition, the difficulties of modifying the present régime will be materially increased, and the population of Egypt, both European and native, may possibly be condemned to endure, for an unnecessarily long period, the continuance of a defective system which has outlived its time. On the other hand, should the contrary occur, as I trust will be the case, and should all those, in whose interests my proposals are made, meet them in the same spirit in which they are advanced, I do not, in spite of the considerable obstacles which may still have to be encountered, despair of arriving at a speedy and satisfactory solution of this very difficult and important question.

For the sake of convenience, I conclude with a brief summary of the proposals which are set forth above:—

(*a.*) No change is proposed in the composition or functions of the existing Legislative Council and Assembly.

* Report for 1904, p. 94. Note.

(*b.*) A separate Council is to be created composed wholly of subjects or protected subjects of the Powers which were parties to the institution of the Mixed Tribunals. Legislation passed by a majority of this Council, and promulgated by the Egyptian Government with the assent of His Britannic Majesty's Government, would be binding on all foreigners resident in Egypt.

(*c.*) An engagement will be taken by both the British and Egyptian Governments that every reservation in favour of British subjects should enure for the benefit of the subjects of other Powers.

(*d.*) It is proposed that the Council should consist of about twenty-five to thirty members. Of these, a minority proportion would be named by the Egyptian Government. A limit to the number of officials in the service of the Egyptian Government, who may be named members of the Council, is to be fixed. The majority of the Council is to be elected in such a manner as shall be hereafter decided.

(*e.*) Local interests, and not nationality, shall form the basis of representation, but the maximum number of elected members, who may be of any single nationality, is to be fixed by Treaty.

(*f.*) The Suez Canal Convention and the Khedivial Decree of the 28th November, 1904, are to be excluded from the purview of the Council.

(*g.*) The Egyptian Government will be precluded from derogating from the provisions as to freedom of trade or as to the rates at which customs duties are levied in virtue of any existing or future Commercial Convention with any foreign Government.

(*h.*) Quarantine Regulations connected with safeguarding foreign countries from the introduction of disease by ships passing through the Canal will continue, as at present, to form the subject of diplomatic arrangements. The preservation of Egypt against the introduction of disease from abroad will be within the functions of the Egyptian Government and Legislatures.

(*i.*) The existing Consular Courts are to be abolished when other Courts have been created by fresh legislation.

(*j.*) Certain reservations are to be made as regards the freedom of action of the new Legislature in the matter of criminal legislation.

(*k.*) The system of quinquennial periods for the Mixed Tribunals is to be abolished. The existing régime of those Tribunals is to remain in force until modified by fresh legislation passed by the Council and approved by the British and Egyptian Governments.

(*l.*) The existing Judges of the Mixed Tribunals are to be entitled to retain their posts, and their services are to be available in any Courts which may in the future be established.

(*m.*) The British and Egyptian Governments are to make a formal declaration to the effect that they have no intention of changing the fundamental principles of the existing civil and criminal legislation.

(*n.*) The principle of the irremovability of Judges is to be maintained.

(*o.*) The official languages of the new Council will be English, French, and Italian, but written opinions may be recorded in any other language.

(*p.*) English, French, and Italian are to be legally placed on a footing of perfect equality.

(*q.*) The Hague Arbitration Tribunal is to decide any differences of opinion as regards the interpretation of the Treaty, which it will be necessary for the Powers to sign.

2. Disturbance at Alexandria.

It is desirable that I should say a few words about the disturbance which took place last December in Alexandria. It was in reality a very petty affair; and, although for a brief moment it looked as if it might become somewhat serious, the incident never derived its importance from any dangers really inherent in the situation, but rather from the foolish conduct, and still more foolish language of a small minority of the community, both European and native.

Whilst the international fleet was at Mitylene, a report got about that the Sultan proposed to proclaim a religious war against Christians. Those who were acquainted with what was actually passing at Constantinople attached no importance to this rumour, but it obtained a certain amount of credence amongst both the European and native population. Many of the former were panic-stricken. A rush was made to the gun-makers' shops to buy revolvers and other fire-arms. It was freely stated that the

situation was very similar to that in 1882, when Europeans were massacred in Alexandria and other towns. I was urged from many quarters to demand an immediate increase of the British garrison. On the other hand, amongst the lowest classes of the native town population a certain amount of ferment was noticeable. Threatening and aggressive language against Christians was occasionally used. Under these circumstances, the occurrence of any trifling incident, which would at other times have passed almost unnoticed, was liable to produce consequences of a somewhat exceptional nature.

A bad feeling has always existed, especially at Alexandria, between the lowest classes of the native and European population. Native feeling was somewhat exasperated by an occurrence which took place on the 7th December. A Greek had some trumpery quarrel with a native—I believe about the purchase of a piece of cheese—in the course of which the former drew a knife and inflicted a mortal wound on the latter.

On the 10th December, a further incident occurred. It is worth relating in some little detail, as it shows, in the first place, the very trifling nature of occurrences which, in a cosmopolitan society like that of Alexandria, are liable to produce somewhat serious results; and, in the second place, the recklessness with which many of the low-class Europeans resort to the use of arms.

Four Greek carpenters entered a restaurant and sat down at a table at which there were only three chairs. Close by, another table, at which there were also three chairs, was occupied by a Greek called Costandi and two natives. Shortly afterwards, one of the natives rose and went out. The fourth carpenter, who had been sitting on the knee of one of his companions, tried to take the vacant chair. Costandi objected. A quarrel ensued, but was calmed by the proprietor of the establishment. A few minutes later, Costandi went out, but returned almost immediately armed with a revolver. In the meanwhile, the four carpenters had left the restaurant, and had entered a café which was only a few yards distant. Costandi took a chair, and waited at the door of the restaurant until the men with whom he had recently quarrelled left the café. He then deliberately fired his revolver at one of them, missed him, but wounded a native who was in a neighbouring shop. A large crowd instantly collected. A riot ensued. Reinforcements of police arrived on the spot. Twenty-three Europeans were wounded, for the most part very slightly. Numerous arrests were effected. Shortly afterwards, a report having got about that a Greek had killed a native, the rabble of one of the lowest quarters of Alexandria collected together; cries of "Death to the Christians" were heard. Another disturbance took place, followed by further arrests.

During the next two or three days, public opinion at Alexandria was highly excited, and further disturbances were anticipated. Nothing, however, occurred. The police under Major Hopkinson did their duty extremely well. It was not necessary to call for the assistance of the British military authorities, who, however, were kept in readiness in the event of their services being required. In fact, no special measures were taken, except that His Majesty's ship "Carnarvon," which happened, by mere accident, to be in the port of Alexandria, and was about to leave, delayed her departure for a few days.

The case of the rioters was promptly and very wisely dealt with by the Tribunals under a capable native Judge, Abdul-Medjid Bey Ferid; 185 men had been arrested. Of these, 59 were acquitted. The remainder, with the exception of three boys, who were whipped, were sentenced to various terms of imprisonment from one year to a month.* The most severe sentences were given to those who were convicted of calling out "Death to the Christians" and other expressions of a similar nature.

Something approaching a panic also occurred at Port Saïd, the population of which town is composed of very similar elements to that of Alexandria. There did not happen to be any British ship in the port at the time. A French cruiser chanced, however, to be on her way through the canal. In order to give a feeling of security to the Europeans, I asked the French Consul-General if he would be good enough to communicate with the French Admiralty, and allow this ship to remain a few days. This was done, with the result that the French Minister of Marine readily acceded to the request.

There are some eminently satisfactory features in this little incident. The first is that the language of the native and European press was, for the most part, very discreet and moderate. But little was said to aggravate the situation. The

* An appeal was made against these sentences, with the result that 32 of those who had been condemned by the Court of First Instance were acquitted. The remainder were sentenced to various terms of imprisonment.

second is, that it became apparent that twenty years of good government has produced one of the results which it was intended to produce. A conservative class, who are opposed to all disorder and disturbance, has been created. Nothing could be more marked than the manner in which all the influential and respectable members of native society at once ranged themselves on the side of order. The danger, such as it was, came wholly from the lowest classes of society, both European and native. A moment's reflection would have shown those who spoke of the situation being similar to that of 1882 that, in fact, no parallel whatever could be established between the two periods. Apart from the fact that in 1882 there was no British garrison in the country, and that the Government was practically in the hands of a mutinous soldiery, it is to be observed that at that time every class of society was, for one reason or another, discontented, and prone to look without disfavour at a subversion of the existing state of things, whereas in 1905 exactly the opposite was the case.

These, I repeat, are the satisfactory features of the situation. What is unsatisfactory is that an additional warning has been given, if, indeed, one was wanted, that the turbulent character of the mob in these Egyptian towns constitutes a danger. I fear that no policy of reform will ever make any alteration in this respect. The only effective measure to guard against whatever risks exist lies in the maintenance of a sufficient force to repress disorder.

Before leaving this subject, I wish to allude to one further point. I have said that the disturbance on the 10th December was due to the conduct of a Greek. It is natural that Greeks, more frequently than other Europeans, should be embroiled in affairs of this sort, as there are more low-class Europeans of Greek than of any other nationality in Egypt. On the other hand, there is a large, intelligent and highly-respected Greek Colony in Alexandria, whose presence is eminently beneficial to the country. I observed with regret some tendency on the part of these latter to consider that, in condemning the conduct of the low-class Greeks, some reproach was cast upon them and on the Greek nation in general. I trust I may, without offence, say that I think this is pushing national susceptibility somewhat unnecessarily far.

3. Criminal Jurisdiction over Europeans.

The disturbance at Alexandria drew renewed public attention to the question of the manner in which criminal jurisdiction is exercised over Europeans. It cannot be doubted that a very strong and, I may add, a very natural feeling exists amongst the inhabitants of this country on this subject. What the native of Egypt sees is, that if one of his countrymen commits a criminal offence, he is tried on the spot, and, if condemned, is often severely punished. If, on the other hand, an European commits a similar offence, he is tried by the Consular Court of his own country, often with an appeal lying to a Court sitting at some distant locality in Europe. It is generally believed that, in respect at all events to some of the Consular Courts, too lenient a view is taken of offences, that acquittals are too frequent, and punishments too light. I am not at all prepared to say that this idea is well founded. I have no sufficient information which would enable me to form an opinion as to how justice is administered in the various Consular Courts. But it is certain that the feeling to which I allude exists. It cannot be doubted that it is very desirable that there should be an unity of jurisdiction for criminal offences in this country. Neither, supposing the accusations against the Consular Courts to be quite unfounded, is it altogether a sufficient answer to say that no substantial grievance exists. A sentimental grievance is often of as great importance as one which rests on a solid basis of fact. The different manner in which Europeans and natives are tried naturally rankles in the minds of the native population, and causes a feeling of resentment which is greatly to be regretted.

The remedy which is usually proposed is that the Mixed Courts should be invested with criminal jurisdiction over Europeans. In my Report of last year I expressed an opinion, to which I still adhere, adverse to this change. It will be seen from my remarks, under the head of "The Capitulations," that the remedy which I propose is different. I regard this question as a detail—albeit a very important detail—in a general scheme of reform. I think it would be a matter for regret if the consideration of this particular grievance, which is readily understood by every one, should divert public attention from what appears to me to be the main evil connected with the régime of the Capitulations. That evil, I repeat, is the absence of any proper machinery for enacting laws generally applicable to the whole of the inhabitants of Egypt. My view is that this machinery should first be created, and that, when it is created, the question

of unifying the Criminal Courts of the country should be dealt with under the new institutions.

I have stated that very numerous instances might be adduced to show the extreme inconvenience of the present system. It will perhaps be desirable that I should adduce one such instance. Those conversant with the working of the administrative machine know that somewhat similar difficulties arise in connection with almost every possible reform which can be initiated.

It is a notorious fact that false weights are almost universally used in Egypt. A short time ago the Department of the Interior caused a number of test purchases to be made in the various markets of meat, vegetables, fruit, soap, butter, &c. The articles purchased were then weighed at the Government Laboratory. In every single case the real weight was considerably lower than the nominal weight. The discrepancies varied from 3·2 per cent. to 25·5 per cent. It has been pointed out to me that honest traders are practically obliged to use false weights in order to compete with their dishonest rivals. Very numerous complaints are heard on this subject, and the Government is being strongly urged to legislate. It would, of course, be possible to pass a law applicable only to natives. This, however, would obviously be very unjust, and, moreover, would fail to attain its object. If any legislation is to be undertaken, which will affect Europeans, two procedures are possible. The first is to submit a proposal to the General Assembly of the Mixed Courts. This is possibly what will be done. The matter is now under consideration. But inasmuch as, under this system, no penalty higher than a fine of £E. 1, or imprisonment for seven days, can be imposed on the fraudulent dealer, it is not probable that the law would be very effective. The only way to attain the object in view would be to inflict high penalties and exact punishment in a few cases. The example would almost certainly deter others from using false weights. In order, however, to inflict these penalties it would be necessary to fall back on the second procedure, which involves submitting a law to the approbation of fifteen separate Powers. Each one of these Powers would probably have some observations to make on the subject. Moreover, many of them would be unable to give their assent without recourse to their respective Legislatures. I have no hesitation in saying that it would probably take some years before a negotiation of this sort would be likely to produce any practical result. The case is typical, and shows clearly the very great desirability of establishing some local legislative machinery in Egypt.

4. The Legislative Council and Assembly.

In my Report for the year 1891,* after describing the main provisions of the institutions created by the Organic Law of the 1st May, 1883, I added—

"No one—and certainly not Lord Dufferin, under whose auspices the plan was conceived—supposed that institutions, such as those which I have described above, would readily take root in the somewhat uncongenial soil of Egypt. Symptoms, however, are not wanting from which it may be inferred that the Legislative Council and Assembly may eventually prove useful adjuncts to the Government of Egypt. What they most of all require for the time being is a little sympathy and encouragement, and, above all, the exercise of great care and attention to explain to the elected members the reasons for the adoption of any measure which is submitted by the Government for their consideration."

Subsequent to the publication of these remarks, Lord Dufferin wrote to me in the following terms† :—

"These institutions were a good deal ridiculed at the time, but as it was then uncertain how long we were going to remain, or rather how soon the Turks might not be reinvested with their ancient supremacy, I desired to erect some sort of barrier, however feeble, against their intolerable tyranny. On the other hand, I felt that, as you have most justly said, if English superintendence were to endure, they might be fostered and educated into fairly useful institutions, proving a convenient channel through which the European element in the Government might obtain an insight into the inner mind and the less obvious wants of the native population."

Were Lord Dufferin still alive, I think he would be pleased at the further results, which I am now able to record, of the measures adopted under his statesmanlike

* "Egypt, No. 3 (1892)," p. 3.

† I have no hesitation in publishing this letter, as it has already appeared in Sir Alfred Lyall's "Life of the Marquis of Dufferin," vol. II, p. 260.

initiative in 1883. The Legislative Council may be said to have passed through three separate phases of existence. For the first few years of the British occupation, it attracted little notice. The country was in danger of being throttled by bankruptcy, whilst the affairs of the Soudan occupied so prominent a place in Egyptian politics as almost to monopolize the attention of the Government and the public. The second phase may be said to have begun about the year 1892. The Council drifted about that time into an attitude of hostility against the Government. This phase was, fortunately, of short duration, and may now be said to have entirely passed away. We have now entered the third stage, which is of good augury for the future. The members of the Legislative Council have evinced a hearty desire to co-operate with the Government in the cause of Egyptian reform. Their advice is frequently sought, and readily given. I should explain that the official records of the meetings of the Council afford but a very inadequate picture of the sphere of action which is covered by that body. It has become a practice—which is heartily to be commended—that before any measures in which the native population are specially interested are officially submitted to the Council, the advice of the leading members is obtained. I give an instance in point. In my Report of last year (p. 74), I dwelt upon the desirability of insisting that, as a qualification for exemption from military service, the "fikis," or teachers in the village schools, should undergo an examination sufficient to insure their having received a certain amount of education. It cannot be doubted that a measure of this sort would be productive of very good results, and, moreover, that its adoption would in no way infringe any law or practice based on the religion of Islam. The proposal had, in fact, received the warm approval of the late Mufti, Sheikh Abdou. These facts were generally recognized. At the same time, many of the most enlightened and liberal members of the Legislative Council were of opinion that the action of the Government would be liable to misinterpretation, and they, therefore, urged the desirability of postponing any action in the matter. This view of the case was at once adopted.

I may also mention that several members of the Legislative Council have been very active in fostering the movement for the creation of "kuttabs" (village schools), to which I shall allude in another portion of my Report (see Chapter 103). Also, they have taken a very intelligent interest in the extension of the Agricultural Society, a subject to which I shall also allude more fully hereafter (see Chapter 10). In fact, I might multiply instances to show that the sphere of action and utility of the Legislative Council is greatly extending, and so far with the best possible results.

The future of the Legislative Council and Assembly depends very largely on the action taken by the members of these bodies. It cannot be doubted that by far the most efficacious means for insuring a wider scope being eventually given to their activity will be gradually to convince the Government and the public that such powers as they already possess are wisely used. I need not at present indulge in any speculations on this subject. I wish, however, more for the benefit of my English than for that of my Egyptian readers, to make one observation on the general character of the system under which Egypt is now governed. I often hear that system described as a "benevolent despotism." If that description means that Egypt is not endowed with representative institutions based on the model of those which exist in some European countries, it is correct. But if the word "despotism" is intended to imply an absence of control over the alleged despot, it is very far from being accurate. Although the precise attributes of the representative of the British Government in this country are incapable of definition, and although I am very clearly of opinion that nothing but harm could result from any attempt to define them, I do not for a moment deny that they are considerable. But it would be altogether erroneous to suppose that these powers are not subject to control. In the first place, the British Agent and Consul-General in Egypt is an executive officer of the British Government, and is as much under the control of the Secretary of State for Foreign Affairs as any other member of the diplomatic service. In the second place, behind the Secretary of State lies the control, which can at all times be exercised, of the British Parliament and of British public opinion. In the third place, the absolute freedom allowed to the local press in Egypt constitutes in itself a guarantee of no small value that no real abuse of power would be allowed to pass unnoticed. If, of late years, the control of the Secretary of State has not been very actively exercised, and if Egyptian affairs have received but little attention in Parliament, the reason, I venture to think, is that no serious occasion has arisen for the exercise of the powers which, although they may for a time be allowed to remain dormant, unquestionably exist. The possible danger in the future for Egypt lies, as it would appear to me, not so much in any serious risk of abuse of power by any individual on the spot, as in the occurrence of some incident which may lead to

the active exercise of the dormant powers vested in authorities at a distance. British public opinion is not always very well informed on the affairs and precise conditions of foreign countries. It is conceivable, that at some future time, well-intentioned efforts to foster somewhat too rapidly the growth of self-governing institutions might result in the re-establishment, in another form, of personal power of the kind which, at no very remote date, did so much harm to the country, and which has left behind it habits and traditions as yet far from being extinct. This contingency, however paradoxical it may appear to many of my own countrymen, will scarcely be considered altogether fanciful by those who have lived in the East, and who have made a special study of Egyptian character. To these latter there would, indeed, be nothing astonishing in the fact that, in the country which has been aptly termed the "Land of Paradox," a return to the exercise of personal power of an oriental type should assume, in the first instance, the attractive garb of a movement in the direction of self-government. Indeed, the one will almost inevitably be the accompaniment of the other, until a generation of Egyptians has come to maturity who will have the courage to express their true opinions, not merely to the alien on whose justice and toleration of contradiction they can confidently rely, but also to their own indigenous magnates, who may possibly be somewhat less tolerant of freedom of speech.

5. The Press.

As regards the general question of the liberty of the press in Egypt, I have nothing to add to the remarks I have made in my Reports of former years.

In the course of last year, fourteen prosecutions were instituted before the native Courts, by private persons, for libel. In almost all the cases convictions were secured, though some of them are still under appeal. The sentences varied from six months' imprisonment to a fine of £ E. 1.

6. The Sinai Peninsula.

The attention of the Egyptian Government has recently been drawn to the affairs of the Sinai Peninsula, which, for various reasons, have of late years been, perhaps, somewhat unduly neglected.

The whole of this Peninsula is a vast waste land. Only a few shrubs and trees grow in the "wadis" (valleys). Water from several springs flows for some distance from the hills, and then disappears in the sand, without any considerable benefit being derived from it. The population is very sparse. No regular census has ever been made, but it is believed that there are about 30,000 inhabitants in the Peninsula. These are all of Arab origin, save the small Gebalia tribe, who are believed to be the descendants of the troops sent by the Emperor Justinian early in the sixth century to defend the Sinai convent against the attacks of the indigenous population.

The Bedouins have their own system of justice, founded on old tribal custom. It may be of some interest if I describe briefly the nature of some of these customs.

In the first place, the system of taking blood money and hereditary "vendetta" exists in full force.

If a man kills another in time of peace, the relations of the murdered man, beginning from the father to the fifth generation, have the right to revenge, or pardon against the receipt of blood money from the murderer or from his near relatives to the fifth generation. Should any one of the near relations of the murdered man accept the blood money, all the other relations are obliged to accept, and revenge by shedding of blood becomes illegal.

The blood money ("El Madda"), according to Sinai laws, is fixed at forty-one camels. It is generally paid in instalments, during periods varying from a month to a year or more.

If the murdered man was of the same tribe as the murderer, the latter, or his near relations, have to give a girl in marriage to one of the murdered man's relations, without receiving the usual dowry. She remains with him until she brings forth a child, when she becomes free to go back to her tribe or to remain with her temporary husband. In the latter case, the husband has to pay the usual dowry and to renew the marriage. Five camels may be substituted for the girl.

If a man kills another in a desolate place, and denies the crime, but is subsequently found guilty, he is fined four blood moneys. In this case, should the relations

of the murdered man take revenge by killing one man of the tribe of the murderer, they still have the right to receive three blood-moneys. They generally take one blood-money, forgive for another, and give up the third as alms for the souls of their dead.

Another Sinai custom is that raiding for camels is allowed by any person who thinks he is offended, as a pledge for unpaid rights. This is termed "El Wisaka." The raider puts the camels in charge of some one as a pledge, until his opponent consents to lay the case before a Judge. When this is done, raiding stops; but the camels remain as a pledge until the case is settled.

A very elaborate and intricate judicial system appears to exist. There are many categories of Judges, whose functions are exercised under various circumstances. I need, perhaps, only allude to one of these. He is the Judge who deals in all criminal cases where no witnesses are forthcoming. This Judge is termed "El Mubashaa." He tests the suspected person by fire, by water, or by dream. Testing by fire is carried out in the following manner:—

The Judge places an iron pan in the fire until it is red hot. He then wipes it three times with his hand, and gives it to the accused to touch three times with his tongue. If marks of burning are shown on the tongue, the accused is pronounced guilty. It is thought that if the accused is guilty, his tongue dries up from fear of being discovered, and that it will be burnt; but that if he is not guilty, the moisture on the tongue prevents it from being burnt. Two experts sit with the Judge, to witness whether the tongue of the accused is burnt or not.

The test by water is described as follows:—

The "Mubashaa" sits with the accused and the spectators in a circle, with a copper jug, full of water, placed in the centre. This jug is then made to appear to move round the circle by means of witchcraft or hypnotism. If the jug returns back to the Judge, the accused is pronounced not guilty, but if the jug stops opposite the accused he is pronounced guilty.

As regards testing by dream, the "Mubashaa" sleeps, and sees in a dream if the accused is guilty or not.

A curious custom exists as regards witnesses. If the evidence of a witness results in the conviction of a thief, he is entitled to receive 4*l*. for every camel which his evidence has convicted the thief of having stolen; although, where large numbers of camels are concerned, some agreement as to the amount of payment is generally made beforehand. The Bedouins argue that a witness whose evidence is paid for is much more likely to be careful in giving it than one who has no possibility of profit, because the paid witness knows that every word he says will be severely scrutinized before it is accepted. The system manifestly offers very great temptations to perjury.

There are four different kinds of oaths accepted in the Courts of Justice.

The first of these consists in the Judge drawing a circle, making the witness stand in the centre, and repeating the name of God six times; after which he is called upon to state his evidence.

Under the second system, the plaintiff places his hand on the defendant's head, and makes him repeat the name of God six times, before giving his evidence.

Under the third system, the plaintiff places his hand in the defendant's girdle, and makes him repeat the name of God three times, before giving his evidence.

Under the fourth system, the witness takes a branch of a tree in his hands, and says, "By this branch, and the Lord who makes it green and dry, I give this evidence."

In the very interesting report from which I take these details it is stated that, "a weak point in the Sinai system of justice very often is, that the person against whom a sentence has been pronounced may be a man of position, who refuses to submit to it, simply saying that the Judges were incompetent." This would, indeed, appear to be an extremely weak point.

It has not been thought desirable to interfere with these strange customs more than is absolutely necessary in order to conform to the most elementary principles of natural justice.

As regards marriage customs, it appears that the usual dowry of a bride is five camels, paid to her father by the bridegroom. On the receipt of the dowry, the father takes a small branch of a tree in his hand, and addresses the bridegroom in the following terms: "This is the branch of my daughter, whom I give you in marriage according to the law of God and His Prophet; you are responsible to supply her with food and clothing, and bring her all she requires, provided you can afford it." The girl

is never asked her wish as regards her first husband. The newly-married couple spend their honeymoon in the hills, away from their encampment. If the girl does not like her husband, she deserts him and takes refuge in the house of one of her relations, who endeavours to obtain a divorce for her. A divorced woman is never forced to marry any man against her will.

I have now said enough to show the very primitive condition of society in the Sinai Peninsula..

Early in 1905, the Bedouins of the Peninsula became very restless. Several raids took place. In the month of May, two brothers were brutally murdered. This lawlessness was for the most part due to the length of time that had been allowed to elapse before any final settlement had been made of many outstanding disputes between tribes and individuals. The Commandant was able to give judgment, and to decide the various issues at stake, but seemed unable to carry out his decisions.

Under these circumstances, it was decided to send Mr. Jennings Bramly, who speaks the Bedouin Arabic thoroughly, and has a perfect acquaintance with the Bedouin customs, to settle the many disputes which were pending, and to report generally on the affairs of the Peninsula. Mr. Bramly in a very short time investigated and settled some thirty or forty cases. The result was that the lawlessness and disorder ceased. The murderers of the two brothers, to whom I have alluded above, were tried, found guilty, and hanged at Nekhl on the 28th May.

Mr. Bramly has now been appointed Commandant and Inspector, with full control over the affairs of the Peninsula. A sum of about £ E. 5,000 has been provided in the estimates for the current year, in order to carry out various improvements. A well-equipped and efficient Camel Corps will be organized; a rest-house will be built at Nekhl; some money will be spent on the purchase of trees and implements for gardening, the construction of sakias, the improvement of the water supply at Tor, and the construction of a small dam at Khor el Arish, where it is hoped a large area of land will be capable of being placed under cultivation. A mosque, barracks, and police-station are to be built at Nekhl. There is every reason to hope and believe that by the adoption of these measures a distinct improvement will soon be visible in the condition of the Sinai Peninsula. It is probable that somewhat later the construction of a telegraph line, and possibly of a road for motor cars, to Nekhl, will be considered.

7. Sheikh Mohamed Abdou.

During the course of the past year a remarkable figure was removed by death from the Egyptian political and social world. I refer to Sheikh Mohamed Abdou. I wish to record the strong opinion which I hold, that his premature death was a great loss to Egypt.

When I arrived in Cairo in 1883, Sheikh Mohamed Abdou was under a cloud. He had been one of the leading spirits of the Arabi movement. The late Khedive, with characteristic good nature, pardoned him. He was eventually appointed to be a Judge of the Native Tribunals. He did his judicial work well and honestly. In 1899, he was promoted to the important position of Mufti. In that capacity his profound knowledge of Islamic law, and his liberal and enlightened views, rendered his advice and co-operation of the utmost value. I may mention, as an instance of his beneficent action, the attitude which he adopted when the question was raised whether Moslems could legitimately invest their money in the savings banks. Sheikh Mohamed Abdou was able to suggest a plan which enabled them to do so without any violation of the law of Islam.

The type of Islamic reformer to which Sheikh Mohamed Abdou belonged is somewhat better known in India than in Egypt. In the former country, this type was at one time notably represented by the well-known and highly respected Seyyid Ahmed, who, some thirty years ago, founded a college at Aligarh. Broadly speaking, it may be said that the main object of those who represent this special phase of Islamic thought is to reform the ancient customs of Islam, not only without in any degree shaking the main pillars of the Moslem faith, but also without abandoning those practices which rest on a more or less religious basis. Their task is one of great difficulty, for they are constantly exposed to the criticism—sometimes sincere, but not infrequently based on interested motives—that their action is not merely illegal but also sacrilegious.

The really earnest followers of Sheikh Mohamed Abdou in Egypt, though remarkable for their intelligence, are few in number. They may be termed the Girondists of the Egyptian national movement. They are too much tainted with a

suspicion of heterodoxy to carry far along with them the staunch conservative Moslem, who in everything stands persistently on the ancient ways. On the other hand, a gulf separates them from those who have become to such an extent Europeanized as to have abandoned their Islamism in everything but name. They thus stand midway between two extremes, and, as is usually the case with politicians who occupy an intermediate position, they are exposed to criticism from both sides. I should add that the opposition from the conservative side is far more important than that from the ultra-Europeanized section of Egyptian society, which latter is scarcely heard.

Time alone can show whether the views held by the school of which Sheikh Mohamed Abdou was a leading representative will eventually permeate Moslem society. It is greatly to be hoped that they will gradually gain acceptance, for there can be little doubt that the most healthy and most hopeful prospects for the Moslem reformer lie along the path indicated by the late Sheikh. His followers deserve whatever help they can derive from European sympathy and encouragement.

It may, perhaps, to some extent encourage them if I give, in the words of one of their co-religionists, a brief description of the opposition originally encountered by the founders of the Aligarh College, to which I have alluded above, and of the manner in which that opposition was eventually overcome.

Seyyid Mahmoud,* after describing the apathy shown by the Indian Moslems in the cause of education some forty or fifty years ago, adds: "If dissatisfied with the scanty progress made by their race in the higher education, their dissatisfaction was as much with themselves as with the education they neglected. But it was not of that kind which contents itself with querulous fault-finding. Recognizing the evil, these Mussulman gentlemen were determined to discover the remedy, and, led by Seyyid Ahmed Khan, whose life has been one long devotion to the cause of liberal education, they formed themselves into a society with the primary purpose of ascertaining the specific objections felt by the Mussulman community towards the education offered by Government, and of ascertaining the kind of education which would be welcomed in its place. It was plain to them that a return to the old methods of oriental instruction was impossible. Much as they might venerate the traditions of their forefathers, and prize the treasures of a copious and elegant literature, the Society held that the only education which could bring their race into harmony with the civilization around them, and so restore it to a position of influence, was an education frankly acknowledging the advance of science, catholic in its sympathies with all that was admirable in the literature, history, and philosophy of other countries, broad in its outlines and exact in its studies. At the first, as might be expected, this very liberality was the danger which threatened the undertaking. To appeal to the Mussulman community at large upon principles so much at variance, not with the Mohamedan religion in its essential doctrines, but with the Mohamedan religion as interpreted by the majority of those who held it, was to stir up active antagonism. Well aware of this, the Society yet hoped for ultimate triumph. For some time, the support they obtained was grudging. Slowly, however, the opposition slackened in the face of the persistent courage of the yet small band of reformers. Men of eminence, like the late Sir Salar Jung, came forward with support, valuable not only in its material shape, but in its influence with those to whom a great name was a great security. The personal character of the leaders of the movement vouched for its disinterested aims. Unreasonable fears gave way before a closer view of the dreaded innovation. Some of the fiercest opponents of early days were converted into warm partisans. . . . . Thirteen years have now passed † since the Society met to shape its scheme, and it may well be doubted whether the most sanguine of those who then devoted themselves to their task looked forward to the rapid success which they have lived to witness."

I should add that over 700 students now attend the College, and that, were sufficient accommodation available, this number would certainly be increased. They are, of course, mostly natives of India, but some are from Somaliland, Persia, Beluchistan, Arabia, Uganda, Mauritius, and the Cape Colony. I feel certain that the attendance of some Egyptian students would be heartily welcomed.

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* "History of English Education in India," p. 162.
† This was written some years ago.

II. ECONOMICS.

8. The Economic Condition of the Country.

I trust that the policy, which the Egyptian Government has adopted with reference to the mining industry and the sale of State lands, may have done something to check the evils which necessarily arise from over-speculation. Possibly also, the warnings, which have been repeatedly addressed to *bonâ fide* investors by Sir Vincent Corbett, myself, and others, may have produced some effect in the direction of inculcating caution. I should be pleased to think that such was the case. So much, however, has been said and written on this subject that, beyond repeating a passage contained in my Report for the year 1899 (p. 32), I need say no more about it. I reproduce that passage because it is very important that the attitude of the Government towards the various new commercial undertakings, which are constantly springing up in Egypt, should be fully understood. It is as follows:—

"I wish to repeat the warning I gave last year, to the effect that, when it is stated that the formation of an Egyptian Company has been sanctioned by the Egyptian Government, this only means that the Company has conformed to certain conditions laid down by the Government as an essential preliminary to the sanction being given. It does not mean more than this. It does not in any way signify that the Government either approves or disapproves of the special enterprise with which the Company is concerned, considered on its own merits. In saying this, I have no wish whatever to discourage native investors. Some projects laid before them will, without doubt, be based on thoroughly sound principles, and will be likely to prove remunerative. Others, again, may be of a more doubtful and speculative character. The Government does not undertake to distinguish between these two categories of investments. Its functions are strictly limited to laying down certain conditions, which the experience of other countries has shown to be of a nature calculated to protect the interests of investors. The latter have then to decide for themselves, and I should add that the experience of other countries has also shown that no legislative or administrative measures can adequately protect the careless investor. Egyptians, therefore, will do well not to go to the one extreme of exaggerated mistrust of all projects which may be laid before them, nor to the other extreme of accepting too hastily the accuracy of any facts and opinions which may be embodied in a prospectus, but to adopt the middle course, which consists in carefully examining for themselves, with the aid of competent friends, the merits of each special proposal, whether it be put forward by Europeans or by their own countrymen."

My present object is to deal with another aspect of this same question.

So far as I can gather, the great rise in the value of land in Egypt, the sudden rush which has been made to invest capital in various commercial undertakings, the recent serious failure in connection with the sugar industry, and other cognate circumstances, have somewhat tended to foster a suspicion that Egyptian affairs generally are unsound, and that a reaction, accompanied possibly by disastrous consequences, will probably take place before long.

It is extremely natural that this suspicion should prevail. The change in Egypt from poverty to affluence has been accomplished with a rapidity which is probably without precedent. The world is not unnaturally slow to believe that a country, the Government of which but a few years ago was in a bankrupt condition, and whose maladministration had caused it to become a byword amongst nations, should suddenly spring into the position of a well-ordered, law-abiding, and thoroughly solvent State, in which money can be invested with no greater risk than is to be incurred in countries whose orderly administration, respect for law, and solvency have been attained more gradually. It is but a step from this frame of mind to concluding that the present prosperity of Egypt is a mushroom growth of the type of which history affords abundant examples, that it is due to temporary and ephemeral causes, and that when these causes cease to exist, a collapse will ensue.

I have naturally for some long while past given much thought to this subject, but I have so far abstained from expressing any very definite opinion upon it, partly because it is possible that some unforeseen event may occur of a nature to invalidate any conclusions which can now be formed, and partly because, although I have no wish to discourage legitimate commercial enterprise in this country, still less have I any

wish that any words of mine should, by a strained interpretation, be used by the speculator or the Company promoter for his own purposes.

I think, however, that I may now say that, so far as I am able to forecast the future, no sufficient ground exists for holding the pessimist views to which I have alluded above. I do not, of course, mean to say that, outside the vicissitudes of European politics, which might affect the Egyptian situation, and which do not come within my present purview of affairs, local events may not occur which will produce trouble of a temporary character. I conceive that, in spite of any warnings which may be given, the illusory prospectus is not likely in Egypt, any more than elsewhere, to become altogether a thing of the past. Company-mongers will continue to prey on unwary investors. The prices of some undertakings may become inflated, and may then suddenly collapse. Weak speculators will go to the wall. At times, a monetary crisis of some magnitude may even occur. At this moment, Egypt may almost be said to be passing through such a crisis. The problem of whether sugar can or can not be profitably produced is still undecided, and should it be eventually decided in the negative, a good deal of temporary inconvenience and monetary disturbance may, without doubt, be caused, until the land now under cane is used for the cultivation of other crops. Further, the extent to which the wealth of the country depends on cotton unquestionably involves an economic risk of some gravity, more especially in view of the facts that the crop shows a tendency to diminish in quantity and to deteriorate in quality, whilst the habits and stage of education of the mass of the population enhance the difficulty of applying such remedies as are dictated by agricultural science to avert both the diminution and the deterioration. But when full allowance is made for these and other circumstances of a like nature, I see nothing which points to any great probability of events occurring which will seriously check the prosperity of the country. I base this conclusion on the broad fact that the main causes to which the recent remarkable increase are attributable are not of a temporary and ephemeral, but of a permanent and solid character, and that with reasonable prudence on the part of all concerned in the management of Egyptian affairs, with strict adherence to the sound principle that the functions of Government and the development of commercial enterprise should not be vested in the same individuals, and with timely efforts to check the evils which may arise from faulty agricultural processes, there is no reason why a relapse should take place.

The wealth of Egypt has, from time immemorial, been proverbial, but in spite of all that has been said on this subject, I doubt whether the natural advantages of this highly-favoured country are as yet generally or fully realized. Moreover, it is, perhaps, forgotten that, in the long course of Egyptian history, it is only during the last quarter of a century that nature, with a certain amount of aid from man, has had an opportunity of showing the productive capabilities of the country. Hence, the sudden rise in material prosperity comes as a surprise and a revelation to the world. The public are slow to believe that the growth can be healthy. It appears to me, however, that if the past history, the present circumstances, and the unique condition of Egypt are considered, it is in reality not very surprising.

At the risk of repeating much that is common-place, I would remind those who may read this Report of the extent to which this condition is unique. Egypt is the only agricultural country in the world which in no degree depends upon the rainfall for its supply of water. It relies wholly on a river, the water of which is already under control to a certain extent, and which is capable, by the expenditure of money, of being more completely controlled. It is no exaggeration to say that, humanly speaking, the country can be rendered absolutely secure against drought, and, therefore, against famine, as also against the dangers of inundation.

The productive powers of the soil, which consists of rich Nile mud gradually deposited during countless ages, are, as Sir John Bowring said some sixty years ago, "incalculable. Wherever water is scattered, there springs up a rapid and beautiful vegetation."* No semi-insoluble economic problem, such as a congested population normally living on the verge of starvation, confronts the governing body at every turn, as is the case in certain parts of India. The population is not redundant. Indeed, it is scarcely sufficient. It tends to increase. In ancient times, the number of inhabitants is said to have amounted to 8,000,000. Under the blight of Turkish domination, the population fell to some 2,500,000 to 3,000,000. The census of 1882 yielded the figure of 6,814,000; that of 1897, 9,734,000. It cannot be doubted that the census, which will be taken in 1907, will show a further considerable increase.

* "Report on Egypt and Candia." Sir John Bowring, p. 12.

The climate is temperate, but neither the productivity of the soil nor the benignity of the climate have been such as to produce the phenomenon, which is to a certain extent encountered in some countries specially favoured by nature, namely, that of destroying all incentives to industry. On the contrary, the inhabitants are a vigorous race, remarkable for their industry.

The river provides an easy means of communication throughout the country, and affords a natural trade channel to the centre of Africa. The construction of roads and railways present generally but few natural difficulties.

Again, Egypt is under no necessity to employ a large proportion of its adult male population on labour which is unproductive. The weakness of the country constitutes its strength. It does not require a large army. Out of a total adult male population of 4,884,000, only 13,000 are employed as soldiers. It is not, therefore, weighed down by a huge naval and military expenditure. Whereas, in 1904, nearly 50 per cent. of the total State expenditure of Great Britain, 33 per cent. of that of Germany, 28 per cent. of that of France, 21 per cent. of that of Italy, and 12 per cent. of that of Austria-Hungary* were spent on the army and navy, the cost of the Egyptian army—there being no navy—was less than 7 per cent. of the total expenditure.

I know of only one permanent disadvantage under which Egypt labours in comparison with other countries. The interest on the debt, in which I include the tribute to Turkey, which, as a matter of fact, goes to the holders of Turkish stock, accounted in 1904 for 41 per cent. of the total expenditure,† as against a proportion of 18 per cent. in the United Kingdom, 5 per cent. in Germany, 34 per cent. in France, 26 per cent. in Italy, and 21 per cent. in Austria-Hungary. But this charge, as I shall point out in dealing with "The Egyptian Debt," has been, during the last twenty-three years, reduced by no less than 890,000*l.*‡ Moreover, the experience of the last twenty years has shown that, by the adoption of a sound fiscal policy, and by the enforcement of economy in State expenditure, even this heavy charge can easily be borne. The rate of taxation per head of population, which was 1*l.* 1*s.* 1½*d.* in 1882, had sunk to 16*s.* 2*d.* in 1902, and, I do not doubt, that it is a good deal lower now.

Lastly, the solvency of the Government has been placed on so stable a basis as to render it in the highest degree improbable that any events can occur by which it can be seriously threatened.

Can any other country show natural and adventitious advantages, tending towards the acquisition and maintenance of material wealth, equivalent to these? I doubt it. I submit that, if the nature of those advantages is fully realized, and if, at the same time, the extent to which scientific skill can now be brought to the aid of nature, in order still further to increase the natural resources of the country, be borne in mind, it can be no great matter for surprise that, when the opportunity was afforded, Egypt leaped at a bound from poverty to affluence.

In spite of all that is known of the past history and present condition of Egypt, I doubt whether the extent to which an opportunity for recuperation had, until recently, been wanting is fully realized. In order to appreciate this fact, it is only necessary to go back to the first half of the last century. Mehemet Ali may probably be considered a type of the oriental despot at his best. His name is rightly revered by the Egyptians. He tore Egypt from the flank of the Ottoman Empire, founded the Khedivial dynasty, and gave the country a semi-independent existence; thus performing a preliminary work which was probably indispensable to the future well-being of Egypt. He was unquestionably a man of great strength of character and of remarkable talents. It is equally unquestionable that his intentions were excellent. He desired to introduce certain characteristics of western civilization into Egypt, and in some respects his efforts were successful. He did not, however, possess the knowledge requisite to carry out wisely or fully the policy of regeneration. In the first place, he often chose his agents badly; he became a prey to European adventurers.§ In the second place, he was in

* These culculations are made from figures given in the "Statesman's Year Book for 1905."

† In 1881 the proportion was over 52 per cent.

‡ It is true that the whole of this reduction has not been made out of revenue. A large portion is due to the sale of the Daira and Domains properties; that is to say, in order to reduce debt, the assets of the State have been reduced. On the other hand, it cannot be doubted that the wealth of the country has been increased by splitting up and selling these huge estates, instead of allowing them to remain Government property.

§ "There is in the mind of the Viceroy a boundless fund of curiosity, and an eager desire to avail himself of everything which represents European civilization; hence he frequently lends a willing ear to the suggestions of adventurers proposing one and another scheme of improvement, wholly inapplicable to the condition and circumstances of Egypt." Sir John Bowring's Report, pp. 46–47.

too great a hurry.* In the third place, he committed the fatal error of concentrating all power in his own hands, and leaving no rights of property or liberty of action to private individuals.† His system is thus described by a sympathetic and contemporaneous observer:—

"I have no doubt," Sir John Bowring wrote, "the revenues would be increased by an increased liberty of production, for under the present system the articles of prime necessity are exposed to needless and frequent vicissitudes. Even with ready money, it is sometimes impossible to purchase oil, or soap, or coffee, or many other articles. The fellah who has sold his produce at the price the Government chooses to give, which is always low, is often compelled to buy it again at the price the Government chooses to fix, which is invariably high, nor can he always obtain it, offer what he may.

"By this impoverishment of the fellah, the Government is itself a sufferer. The payment of his taxes falls into arrear, his land is neglected, and then abandoned, and the diminished receipts of the Treasury are the immediate consequence of the diminished culture of the soil" (p. 15).

Under such a system as this, the natural resources of the country were given no chance of development. That no permanent harm was done was due to the same cause as that which prevented the complete ruin of the countries devastated by the wars of the middle ages in Europe. The progress of the country was, indeed, retarded, but the wealth which might have accrued—consisting almost wholly of agricultural produce—would, in any case, have been consumed by the population within a year or two.‡ Mehemet Ali had the wisdom not to borrow. It may safely be asserted that Ismaïl Pasha, although his rule was, perhaps, outwardly more civilized than that of his predecessors, did more harm during the period of his Khediviate than had been done by all those who had gone before him. He had recourse to European credit, and in thirteen years ran up a debt of 100 millions. In doing this he not only injured his own generation, but imposed a heavy burthen on posterity.

Had Ismaïl Pasha's system of government been allowed to continue, evils would have been produced which it would have taken, not a quarter of a century, but more probably several generations to repair. Fortunately, with the accession of Tewfik Pasha in 1879, and still more with the occupation of the country by a British garrison in 1882, Egypt's opportunity came. Never did patient respond more readily to the remedies of the physicians. It should, however, never be forgotten that, whatever may have been the assistance rendered by the enlightened Ministers and the band of capable officials who during the last twenty-five years have been employed in Egypt, the efforts of the financier, the engineer, and the jurist would have remained comparatively sterile had it not been for the extraordinary productivity of the country and the industry of its inhabitants. Without this promising material on which to work, comparatively barren results would have been obtained. It is not too much to say that if the action of the governing body had been purely negative—that is to say, if they had confined themselves to striking off the shackles which formerly fettered the liberty of action of the whole population—and if they had merely restricted State action to its proper functions, a high degree of material prosperity would have been attained. Inaction in all other respects would have been far preferable to the mischievous activity of former rulers. If to this it be added that a sound fiscal policy has been persistently pursued, that the highest European skill has been devoted to the improvement of the system of irrigation, and that in all other directions western knowledge has been brought to bear upon the improvement of the administration, there cannot, as it appears to me, be anything very surprising in the fact that the progress has been so rapid as to startle the world.

On the facts connected with that progress I will not dwell at any length. I need only say that in the course of the last twenty-five years the revenue, in spite of very large and continuous reductions of taxation, has risen from about £ E. 9,000,000§ to over

* "The Pasha has not always a clear sense of what he proposes to himself. Earnest, impatient, ambitious, desirous of seeing immediate results, he scarcely allows time for the thoughtful laying down of those foundations on which he would fain raise a noble superstructure. He is in haste to plant the tree, which is no doubt commendable, but he is in haste too to gather the flowers and the fruit. He unwillingly consents to watch, to train up, to water, and to wait. 'I am old,' he has been heard to say, 'and cannot stop as younger men might do; what I would have done must be done quickly.' Hence it is that many of the intentions of the Pasha are thwarted; because instead of waiting for the gradual growth of time till the plants fix themselves firmly in the ground, he transplants the huge trees of the forest, which flourish, or seem to flourish, for a few hours, and then finally decay." Ibid., p. 149.

† At an early period of his reign, Mehemet Ali abolished all private tenure of land, and reverted to the assumption of State ownership as established by Selim I at the time of the Turkish conquest in 1517.

‡ Mill, "Political Economy," vol. 1, p. 94.

§ £ E. 1 = 1*l.* 0*s.* 6*d.*

£ E. 14,800,000; that the aggregate imports and exports, which in 1880 amounted to about £ E. 19,500,000, have risen to about £ E. 42,000,000; that the area of land under cultivation has increased by 1,000,000 acres; and that the cotton crop, which in 1880 was about 2,250,000 kantars, is now generally from 6,000,000 to 6,500,000 kantars.*

What circumstances can possibly occur to check this growth?

In the first place it may be observed that either the complete and sudden withdrawal of European control, or the hasty adoption of institutions too advanced to be at present assimilated by the Egyptians, might produce disastrous consequences. There would then probably be a relapse into the maladministration of the past. I know, however, of no reason for supposing that either of these two contingencies will occur. It is easy to predict the immediate future of Egypt. The present régime will undergo no radical change. I cannot undertake to predict the remote political future of the country, but it may safely be asserted, in view of the very large interests involved, both European and native, that it will never be allowed to relapse into its former state.

Probably the greatest danger which threatens Egypt lies in the fact, to which I have already alluded, that the country depends too exclusively on one crop, namely, cotton. It is in order that the degree of this evil may not be enhanced that it is most desirable that sugar should continue to be cultivated. Also it is to be hoped, in view of the high price of food-stuffs, which now have to be imported in large quantities from abroad, that more cultivators than heretofore will take to growing cereals. Cotton may, of course, be damaged by some blight, such as the *phylloxera* which attacked the vineyards in France. The cotton in America is exposed to a similar danger. Indeed, no country, which depends mainly on agricultural produce, can be free from risks of this description. Moreover, as I have already stated, the quality may permanently deteriorate, or the yield per acre may diminish. All that can at present be said on these subjects, the latter of which is of special gravity, is that the Government have called in the best scientific and other assistance possible, with a view to averting evils of this nature. I describe in another portion of this Report what is being done in these respects. Further, the price of cotton may fall heavily. Undoubtedly it will rise and fall, partly by reason of the varying demand and supply, and partly as the result of speculation; but I know no special reason for supposing that the production is likely to outstrip largely the demands of the world. The fears, which I occasionally see expressed, that the cultivation of cotton in the Soudan will do harm to Egypt, I regard as wholly illusory.

On the whole, the best consideration I can give to this subject leads me to the conclusion that, although possibly a minor storm may from time to time agitate the share-markets of Cairo and Alexandria, and although the cultivation of cotton is attended with some risks, most of which may, it is hoped, be averted by improved agricultural processes, nevertheless the material prosperity of this country rests on a basis of somewhat exceptional solidity. It is certainly not exposed to any greater risks than those which are to be encountered in other countries depending mainly on agriculture, and inhabited by a population, the majority of whom are still in a backward stage of education.

9. The Cotton Worm.

The publication of the very full Report made by Mr. Machell, descriptive of the operations directed against the cotton worm last year, relieves me from the necessity of making any lengthy observations on this subject. I confine myself, therefore, to a brief statement of the main facts.

It is estimated that the value of the cotton destroyed by the worm in 1904 was not less than 2,000,000*l.* In the province of Behera, where the worm was especially prevalent, "whole fields were devoured, and nothing but the bare sticks were left. Numbers of the smaller cultivators were ruined."

The extraordinary rapidity with which this insect multiplies may be gathered from the following extract from Mr. Machell's Report:—

"On one property of 350 acres of cotton, no less than 2,465,738 infected leaves, or about 7,045 infected leaves per acre, were collected and destroyed. On each of these leaves, were about 300 eggs. If we suppose that 200 hatched out, we have 1,409,000 worms as the first brood upon a single acre. Each of these in due course pupates, and as the operation is repeated in July and again in August, some idea may be formed of what happens when nothing is done."

* 1 kantar = 99½ lb.

It was clear from the first that the evil could only be combated by an organized and united effort of the whole population in the affected districts. The result of using forced labour against locusts, to which I alluded in my last Annual Report, was very satisfactory. The insects were destroyed—the crops were saved. It was shown that, by careful supervision, the evils generally supposed to be a necessary incident of the forced-labour system might be averted. Under these circumstances, the Agricultural Society proposed that the Government should resort to forced labour in order to save the cotton crop of 1905 from the ravages of the worm. A Decree having this object in view was submitted by the Government to the Legislative Council, and readily accepted by that body. I need hardly add that all the persons employed were paid.

The manner in which the operations were conducted reflects the greatest credit on Mr. Machell and the subordinates who worked under his general guidance. No less than 314,941 acres, belonging to 32,610 different proprietors, were cleared of the worm. "It is difficult," Mr. Machell says, "to make even a rough estimate of the amount saved. In districts which were badly attacked, and where the crop was subsequently good, the saving cannot have been less than 2 kantars per acre, and it has often been more." As a matter of fact, compulsion, though permitted by law, was generally unnecessary, as the people soon got to understand that it was in their own interests to co-operate with the Government. Considering the number of boys and girls employed, the cases of punishment which had to be inflicted for any evasion of the law, were extremely rare. In fact, in spite of the theoretical objections to forced labour, of which no one is more fully aware than myself, I have rarely known a measure which met with such universal approval in Egypt as that now under discussion.

It has often been thought that the apathy heretofore shown by the population in connection with this subject is due to the fatalism inculcated by the Moslem religion. Possibly this may have been a contributory cause amongst the least educated portion of the community. I fear that nothing that I can say will have any effect on those who consider it impious to exert themselves in order to save their fields from being destroyed by the worm. I may, however, perhaps be allowed to remark that one of the sayings of Mohamed is to the following effect; "Trust in God, but tie up your camel" ("Aakel wa tawakkel"). Mr. Machell, however, does not think that the habit of thought to which I have alluded above was the main cause of the apathy displayed in previous years. His remarks on this subject are as follows:—

"The fellah is quite unable to work out his own salvation, but when once he has been forcibly convinced that his interest lies in a certain direction, his opposition will gradually diminish.

"For years he has seen Europeans and wealthier proprietors clean their land with a certain measure of success, but it required the Decree, and a very vigorous application of it, to make him do anything himself; and he cannot be blamed. He has abstained from work until this year not, as many suppose, through conviction that it is wicked to oppose the will of God—this is only brought forward for the sake of argument, and as the best method of stopping a rejoinder—but through that inborn conservatism which characterizes him, as it probably characterizes the same class of the community in a greater or less degree in every country in the world."

I am glad to learn from Mr. Machell's Report that the help of the Ministry of Public Instruction is to be enlisted with a view to teaching the children in the village schools the results of the operations of last year. Those schools, as Mr. Machell very truly remarks, "may become a valuable auxiliary in the work of dispelling the ignorance against which our campaign has been principally directed."

Before leaving this subject I may remark that the "buff-backed heron" or "paddy bird," which is, or was, so common in Egypt, is the cultivator's best ally in waging war against the cotton worm. I appeal to sportsmen to spare these birds, which are, unfortunately, not so common as they were.

I need hardly add that the facts which I have narrated above cannot in any degree be invoked in favour of the employment of forced labour under conditions wholly different from those which exist in Egypt. There is an immense difference between organizing labour to deal with an agricultural crisis, such as that occasioned by the presence of the cotton worm, and obliging people to labour on ordinary works undertaken for the general development of the country. In the former case, those employed readily understand that it is in their own immediate interest to work. In the latter case, the interest, if any, is more remote, and is certainly, in their eyes, less comprehensible. In the former case, the compulsion used really amounts to little more than persuasion. In the latter case, it is real and effective.

10. The Agricultural Society.

I described in my last Report (p. 81) the measures which were being taken to reorganize the Agricultural Society. The results of those measures have proved eminently satisfactory. The Society, under the enlightened presidency of Prince Hussein Kamil Pasha, has largely extended its sphere of usefulness and activity. The number of members who have paid their subscriptions increased from 243 in 1904 to 3,131 in 1905. In spite of the reduction of the annual subscription from £E. 5 to £E. 1, the receipts under this head amounted to £E. 3,131, as compared to £E. 920 in 1904. The accounts of the Society for the past year show a surplus of £E. 5,217. The ordinary revenue of the Society is thus sufficient to meet its ordinary expenditure. It will be possible in the future to use the Government subvention for expenditure of an extraordinary character.

The three Moudirieh delegations, which were established last year, have proved of great advantage in bringing cultivators into closer touch with the Society. At the numerous meetings which were held during the year, subjects of practical utility were discussed with great interest. The want of a suitable native staff to fill the posts of secretaries to additional Moudirieh delegations is being gradually overcome, and an increase of £E. 1,000 in the Government subvention has enabled arrangements to be made for the institution of two additional delegations in Lower Egypt and one in Upper Egypt, in the course of the present year.

The annual Agricultural Show was held at Cairo in the spring, and proved very successful. So also were two local shows, which were held in the autumn at Fayoum and Mansourah respectively.

On the subject of the chemical manures which are now distributed in large quantities through the agency of the Society, Mr. Foaden, the Secretary-General, writes as follows:—

"The employment of chemical manures shows a great increase, the most satisfactory results having been obtained in the case of wheat, barley, and maize. Although the Society was unable to meet a great number of the demands, the amount distributed reached a total of £E. 68,000, or more than double that of last year. In view of the rapid disappearance of the mounds, which have in the past provided the cultivator with a supply of manure, this question becomes one of increasing importance. The number of individuals to whom the Society supplied manure during 1905 exceeded 6,000, of whom 4,000 were cultivators on a small scale, who applied through the local agents of the Agricultural Bank. It is satisfactory to remark that the smaller cultivators have taken advantage of the facilities offered by the Bank, which has greatly contributed to make more widely known the use and value of these manures.

"To meet the increasing demands, the Society has found it necessary to erect a large store on the quay at Alexandria, and to facilitate the erection of distribution stores at various centres in the country. The Government have advanced to the Society a sum of £E. 30,000 to aid in carrying on this work, and this sum, together with interest at the rate of 2 per cent. per annum, will be reimbursed by the Society in the course of this year."

The staff of the laboratories of the Society have been fully occupied during the past year in their respective spheres. In the entomological section, much valuable information has been obtained regarding some of the commoner insect pests of the country, more especially those which are injurious to cotton. It appears that the greatest damage is inflicted on the cotton crop by the attack of the boll worm (*Earias Insulana*).* This proved very destructive last year, more especially in Upper Egypt. The fact that it is more difficult to discover than many other pests has led the ordinary cultivator to conclude that, as it appears simultaneously with the autumn fogs, it is to be attributed to these. A careful study of the life-history and habits of these pests will, it is hoped, result in the collection of information which may be turned to practical account.

The fungoid diseases to which the cotton crop is liable have also been under investigation during the year. The results of these investigations will in due course appear in the Society's year-book, which is now in the press.

* Since this was written, I have received a report from the Agricultural Society, from which it appears that the best method of dealing with this insect pest will be to destroy the plants on which it feeds during the winter months. The Society will, without doubt, publish a full report on the subject.

11. Horticulture.

I dwelt, in my Report last year (p. 83), upon the great desirability of encouraging horticulture in Egypt. There can, in fact, be no doubt that there is a great opening for the further cultivation of fruit, vegetables, and flowers in this country. The two Horticultural Societies, at Cairo and Alexandria, have done very valuable work during the past few years; but it appears that a stage has now been reached when some more complete organization is requisite. As usually happens in this country, where principles of self-help are but slightly developed, the Government must, to a certain extent, act as a pioneer. A good deal, so far as vegetables are concerned, depends upon the importation of the best and most suitable seed from Europe. On this subject, Dr. Keatinge, who has taken a great interest in the Cairo Horticultural Society, writes:—

"The importation of seeds from Europe, although it has done some good, has not been unattended with serious drawbacks. These disadvantages result from the fact that no trials have been made with the seeds imported. In these days, when there exist numerous varieties of nearly every vegetable, it is essential for success that the variety sown should be that which is suited to the soil, climate, and other local conditions. With the best intentions on the part of the seed merchant, it is impossible to be sure of success, until a trial has been made. Naturally, the native market gardener who pays a high rent, and is dependent on his garden for his livelihood, cannot be expected to derive any comfort from the fact that he has proved the uselessness of a certain variety of vegetable, should his crop fail. The result has, unfortunately, been that in several instances gardeners have refused to take seed owing to failures in the preceding year. Moreover, the fellah, very wisely, prefers to see results with his own eyes rather than trust to the statements of others. He is a practical agriculturist who knows that vegetables may be grown to perfection under certain conditions, which conditions it is outside his power to provide, while making a profit on his produce. He, therefore, prefers to see the plants in the ground rather than trust to the results exhibited on the show bench.

"These and many points connected with the importation and acclimatisation of trees and plants, which might be of use to Egypt, make the creation of an experimental garden, with a professional European gardener in charge, a necessity if any real progress was to be made."

It is also felt that the existence of two Horticultural Societies—one at Cairo and one at Alexandria—probably does not conduce to the same efficiency as if one large Society were formed. The question of amalgamating the two Societies is now under consideration. The Government is prepared to give a reasonable amount of assistance, and I hope next year to be able to report that some substantial progress has been made in the direction of creating an improved organization.

12. Cotton.

Sir Vincent Corbett, in his note on the Estimates for the current year, drew marked attention to the fact that, although of recent years the areas of land under cotton had been steadily increasing, the total of the crop had remained stationary, and had even diminished. I am unable to give accurate figures as regards the area under cotton in recent years, but there can be no doubt that Sir Vincent Corbett's statement is quite accurate. The total crop in the year 1904–05 was 6,352,000 kantars. This was less than the crop of the preceding year (6,509,000 kantars); than that of 1901–02 (6,372,000 kantars); than that of 1899–1900 (6,510,000 kantars); and than that of 1897–98 (6,543,000 kantars). It is also stated on undoubted authority that the quality of the cotton tends to deteriorate.

There can be no question as to the gravity of these facts. They deserve the very serious attention, both of the Government and of all interested in the cultivation of cotton in Egypt.

It is essential to discover the causes of this diminution in quantity and deterioration of quality.

I may first deal with one cause which has been assigned, not, so far as I am aware, by any one in Egypt, but by those interested in the subject in England. It is certainly not the true cause. It has been stated that the deterioration of Egyptian cotton is in a large measure due to the effect of the Assouan reservoir. It is thought that this work, by arresting the velocity of the current, causes the sediment to deposit on the river bed,

and thus deprives the water of its fertilizing properties. Although I was personally fully aware that this view was erroneous, I nevertheless thought it desirable to obtain Sir William Garstin's opinion upon it. He writes as follows :—

"To my mind, such an assertion shows a lack of comprehension of the actual facts. Storage of the water in the reservoir does not commence until the winter, when the flood-water has passed off. This storage is effected very gradually, only the surplus water being stored, and the ordinary supply passing down the river with but little diminution. During this period, the water contains practically no sediment. When the cotton sowings commence, in March, the water in the river is perfectly clear. This has always been the case with the Nile, and the reservoir has in no way altered the former conditions of the river. The silt-bearing tributaries, such as the Blue Nile and Atbara, have long before this period either ceased running altogether or have been reduced to a very scanty supply of exceptionally limpid water. Any one who has visited these rivers in the spring will recognize the truth of this statement. Egypt is then, during the months when the cotton is planted and first raised, dependent entirely upon the White Nile water. This, after its filtration through the great marshes, contains no sediment at all. During the flood, the reservoir is completely open, and there is no reduction in the river discharge, which passes through the gates, carrying all the matter in suspension in its waters through these openings unchecked.

"I cannot see why reasons, which I can only characterize as 'far-fetched,' should be sought for to explain the deterioration of the cotton crop, when there are so many others which are irrefutable at hand."

Sir William Garstin's view is fully confirmed by the British Chamber of Commerce, which, I may observe, contains amongst its members many who are highly qualified to speak on this subject. I quote the following passage from the December number of the journal issued by this institution :—

"A fear has been expressed—not in Egypt, but by people outside Egypt—that the holding up of water in the Assouan reservoir means a settling of the nutritive element of the Nile, and that the water sent down into the lower country is partly deprived of its valuable manurial properties. There is certainly not any foundation for this fear, for while the dam is in function, as preventing a free flow of water, the water that is run off comes from its lowest level, and, therefore, comes charged with the sediment. When the Nile is high, there is a free flow through the dam gates with the mud properties in activity."

I turn to other causes, which are more worthy of consideration. It may be said that they are four in number :—

1. Insect pests.
2. The effect of the rotations.
3. Over-watering.
4. Over-cropping.

As regards the insect pests, I have nothing to add to what I have already said under the head of "The Cotton Worm" and "The Agricultural Society."

As regards the rotations, the British Chamber of Commerce express themselves in the following terms :—

"One reason assigned is the lateness of a good supply of water. Owing to the late rising of the Nile, rotations (water at rather long intervals) had to be maintained by the Irrigation Service up to almost the end of July, instead of to early July only. As it is in July that the plants are making their fruit, they have then need of a more liberal supply of water, and it so happened that the temperature in July this year (1905) was more than usually hot, thus making the intervals between waterings the more taxing. In support of this presumed reason was the unusual smallness of the pods formed, and which have remained a characteristic of the crop."

Admitting that there may be much force in this argument, it is difficult to see what immediate remedy can be applied. It is well known that, especially in a bad year like 1905, the water supply during the summer season, even with the large addition made by the construction of the Assouan reservoir, is insufficient. The only method for increasing it would be either to raise the Assouan dam, or to construct large works on the Upper Nile. The first of these would be a partial, the second a more thorough remedy. But, for reasons, to which I will presently allude, the question of raising the Assouan dam must for the present remain in suspense, whilst it is certain that many years must, in any case, elapse before any large works are constructed on the Upper Nile. Sir William Garstin's Memorandum, annexed to this despatch (Inclosure 4) shows how this matter now stands.

As regards the third cause, namely, over-watering, it may at first sight appear

inconsistent with the second, namely, that by reason of the long rotations, the cotton suffers at times from want of water: but such is not the case. When the water arrives, the cultivators are in the habit of drenching their fields, and thus doing much injury to the plants. I know of no remedy for this, but the gradual process of education. It may be hoped that, by degrees, a more thorough knowledge of agricultural processes will be introduced through the instrumentality of the Agricultural Society.

The fourth cause, namely, over-cropping, is probably the most important of all. Formerly, the sound rule existed that only one-third of the area of each property or holding should be planted in any one year with cotton. Thus, a three-years' rotation was insured, and the soil recovered from the exhaustion due to the cotton crop. Now, in most cases, 50 per cent. of the land is planted annually with cotton, thus reducing the rotation to two years; while in many places, the people plant with cotton as much as 70 per cent. of the area. No manuring can make up for this, and no soil can stand it. If the practice is continued, deterioration must inevitably ensue. The remedy lies with the people themselves. At the same time, I admit that, under all the circumstances which exist in Egypt, the Government should perhaps go further in the direction of taking the initiative, than would be necessary in countries where the population is more accustomed to self-help.

Something, indeed, has already been done. The question of the quality of cotton seed, which is one of great importance, has received the constant attention of the Agricultural Society. A considerable area of land belonging to the Domains Administration was set apart for the production of as pure a strain of seed as possible, the seed for the sowing of which had previously been subjected to a system of hand-picking. During the growth of the crop, all plants not true to the variety, which it was intended to produce, were removed. About 12,500 bushels of seed have thus been produced, which have been distributed to well-known growers in suitable districts. In this manner, some 10,000 acres of land will be sown with this seed during the present season. The crop resulting from this area will provide seed for distribution for at least 100,000 acres in the following year.

It is, however, not merely probable, but almost certain, that this measure alone will not suffice. What more, therefore, can be done? It is extremely difficult to say. My present inclination is to think that the best plan will be to wait another year, and to see what effect will be produced by the distribution of good seed, by the warnings given to the cultivators through the agents of the Agricultural Society, and by the fact that, owing to the high price of cereals, and the loss which many cultivators incurred last season by growing cotton, the evil of over-cropping may to a certain extent disappear. Moreover, the price of cotton may fall, which would in some respects not be an unmixed evil for Egypt; and if this happened, the temptation to push too far the cultivation of cotton would at all events be greatly diminished. In the meanwhile, I hope that the members of the Legislative Council—many of whom are large land-owners—the Agricultural Society, and other similar Associations will give their closest attention to this subject, with a view to considering what steps can be taken. The proposal made by a recent writer (Poilay Bey) in the journal published by the Union Syndicale des Agriculteurs d'Égypte that a Commission should be appointed to examine the question, is perhaps worthy of consideration. It has even been suggested to me that the Government should go so far as to interfere, either by direct or indirect legislation, in order to prevent over-cropping. I need hardly say that a measure of this sort is open to very strong objections. Moreover, it is doubtful whether, in practice, any such measure could be enforced. At the same time, the evil is one of such gravity that, if all other palliatives fail, I am not prepared to say that the adoption of some heroic remedy of this sort may not have to be considered.

13. Sugar.

Until the year 1881, there were no sugar-refining factories in Egypt. The Daira Sanieh mills crushed the sugar-cane and extracted the raw sugar, which was either consumed locally in that condition or exported and refined abroad.

In 1881, a refining factory was erected at Hawamdieh by a newly formed Company, called the Société de la Raffinerie, and eleven years later, in 1892, another Company, called the Société des Sucreries de la Haute-Égypte, came into existence, and built a second factory at Sheikh Fadl.

These two Companies amalgamated in 1897 under the title of the Société Générale

des Sucreries et de la Raffinerie d'Égypte, and, shortly afterwards, constructed the large refinery at Nag Hamadi. The Company had by this time extended its system to crushing the cane as well as refining the raw sugar.

When it was decided to sell the property of the Daira Sanieh, the Société Générale des Sucreries et de la Raffinerie d'Égypte (or the "Sucreries," as the Company is more commonly called) wished to acquire the Daira sugar mills, as well as the system of railways which had been established to transport the cane to these factories. This, however, it was unable to do, owing to lack of capital.

In 1902, a financial Syndicate was formed, under the title of the Daira Sugar Corporation, to enable the Sucreries to carry out its wishes, and the money was provided on certain terms, which were briefly as follows :—

The Sugar Corporation paid the Daira about 900,000*l.* for their factories and railways, and advanced to the Sucreries about 300,000*l.* for improvements, in addition to a further advance of 315,000*l.*, to be used as working capital. The Sucreries, on the other hand, were to pay the Corporation about 100,000*l.* a-year for twenty-five years, and to repay the 315,000*l.* at the end of that period.

In 1905, the Sucreries Company was engulfed in the failure of MM. Henry Say et Cie., whose bills they had accepted for large amounts.

From what has since transpired, there can be no doubt whatever that the Sucreries Company had for a long while been working at a loss, in so far as the manufacture of sugar was concerned, and that, under any circumstances, its insolvency was merely a matter of time; it had, in fact, merely been postponed by large speculations in the sugar market.

As the Sucreries Company is now insolvent, it is necessary, if the sugar industry is to be carried on on the same scale as heretofore, either to start a fresh Company or to reconstitute the existing Company. With a view to attaining the latter object, certain proposals have been formulated, and are now (7th February) pending discussion by the creditors and the Law Courts.*

The really important question, so far as the general interests of the country are concerned, is whether it is probable that a Company can derive a reasonable profit from the manufacture of sugar on a large scale in Egypt under present conditions.

For several reasons, I do not intend to offer any definite opinion upon this question.

In the first place, the experiment has as yet never been fairly tried, and, therefore, I consider that any opinion offered can be little more than conjectural.

In the second place, I have no wish that anything that I might say should be used for speculative purposes.

In the third place, a great deal depends upon the price of sugar, a subject which falls outside the purview of the local situation.

I confine myself, therefore, to a very few remarks upon the attitude of the Government in connection with this subject.

Manifestly, in view of the important national interests concerned, it is the duty of the Government to afford any reasonable assistance possible in order to prevent this important industry from total decay. But I do not consider that either duty or sound fiscal policy would justify the adoption of measures calculated to bolster up the sugar industry by fictitious means.

The main help which the Government can afford is in connection with the transport of sugar. The Daira Company formerly owned a network of railways, which were sold to the Sucreries Company. The Government has expressed its willingness to buy these railways at a price, which has not yet been definitely fixed, but which will be between 350,000*l.* and 400,000*l.* This measure is perfectly justifiable. I am assured, on competent authority, that the line, together with its material, is worth about that figure. It is in the interest of the tax-payers to obtain possession of the line, because, under Government auspices, it can be developed and used for general purposes of traffic. It is in the interests of the Company to sell the line, because, at present, it may only be used for the transport of sugar, whereas, if it is taken over by the Government and used for general purposes, it will probably be possible to fix a tariff for sugar which, whilst yielding a fair remuneration to the tax-payers, will be advantageous to the Company.

There is, further, the question of the transport of sugar over the remaining portions of the State railways. Up to the present time, the Railway Administration has carried sugar at specially low rates, on the condition that the Company sent all its produce by rail and did not use the river. If the Company abandons its demand for special rates on the railway it will, of course, be free to use the river; and this, I

* Since this was written, the Company has been declared bankrupt.

conceive, is very probably what will be done. On the other hand, the tariff on the Government railways is now low, and I do not think that the Government can go further than to carry sugar at the lowest rates paid for transporting other agricultural produce. They cannot consent to carry sugar at rates which are unremunerative.

Raw sugar imported into Egypt to be refined pays at present no customs duty, but an excise tax is levied on refined sugar consumed in the country. It has been suggested that this latter duty might now be reduced or abolished. The proposal is under the consideration of the Government, but the abolition of the excise would appear necessarily to entail the re-establishment of customs duty on the raw sugar.

I should add that the Agricultural Society is about to take in hand a series of experiments, with a view to ascertaining the variety of cane which is most productive.

14. Trade and Customs.

The returns for the past year show a total volume of trade of £ E. 41,924,000, comprising £ E. 21,564,000 imports of merchandise and £ E. 20,360,000 exports. Compared with 1904, imports have increased over £ E. 1,000,000; exports are about £ E. 450,000 less.

The import of specie amounted to £ E. 4,782,000 and the export to £ E. 3,870,000, compared with £ E. 7,607,000 and £ E. 2,731,000, respectively, in 1904.

The following Table illustrates the remarkable growth of the foreign trade of Egypt during the last ten years :—

Year.	Imports.	Exports.	Total.
	£ E.	£ E.	£ E.
1896	9,829,000	13,442,000	23,271,000
1900	14 112,000	17,124,000	31,236,000
1905	21,564,000	20,360,000	41,924,000

(a.) *Imports.*

Of the year's imports, 38·6 per cent. came from the United Kingdom and British Colonies, 12·8 per cent. from Turkey, and 10·9 per cent. from France. The remainder was supplied by various countries in a proportion of 7 per cent. and under.

The following are the variations in the principal articles of import as compared with 1904 :—

Cattle for Slaughter.—The imports were 356,900 head of cattle, valued at £ E. 369,100 in 1904, against 424,600 head valued at £ E. 411,000 in 1905, an increase of 67,700 head, and of £ E. 41,900 in value.

Cereals and flour show a most remarkable increase : 89,600 tons of cereals, and 130,000 tons of flour, valued together at £ E. 1,583,400, were imported in 1905. Compared with the imports of the previous year, these figures represent an advance of 81 per cent. in quantity and 88 per cent. in value. The main causes are not far to seek. On the one hand, the population of the country has been largely increased of late by immigration, and, on the other hand, owing to improved methods of irrigation, the cultivation of cereals has given place to that of the more remunerative cotton crop.

Dried fruits advanced from £ E. 215,200 in 1904 to £ E. 232,100 last year.

Sugar to the value of £ E. 485,600 was imported during 1905, being an increase of 107 per cent. due to a diminution in the local production, and also to the fact that larger quantities of sugar have been brought into the country to be refined and re-exported.

Coffee.—The quantity imported was 6,300 tons, valued at £ E. 244,500, against 5,800 tons, of a value of £ E. 212,200, in 1904.

Timber shows a satisfactory improvement, having advanced from £ E. 1,194,200 in 1904 to £ E. 1,322,000 in 1905.

Furniture.—The value of this article was £ E. 206,900, or 18 per cent. in excess of that of the previous year.

Cotton tissues display only an increase of £ E. 29,700, the total value imported being £ E. 2,999,100. Considerable stocks were carried forward from 1904.

The following articles also show increases :—

	Value in 1905.	Increase as compared with 1904.	
	£ E.	£ E.	Percentage.
Worked iron and steel	917,400	41,800	5 per cent.
Mixed tissues	269,000	16,100	6 „
Sacks	235,600	57,300	32 „
Railway waggons (chiefly for State railways)	298,700	129,100	76 „
Chemical manure	56,800	28,200	98 „

Coal decreased from 1,179,300 tons in 1904 to 1,132,600 tons in 1905. *Charcoal*, on the other hand, increased 16 per cent. in quantity. Transit coal for steamers at Port Saïd, which is not included in the above figures, fell off about 6 per cent., the total quantity in 1905 being 955,900 tons.

Rice declined in value 10 per cent., *Woollen Tissues* 23 per cent., *Silk Tissues* 31 per cent., *Raw Silk* 40 per cent., *Indigo* (*natural*) 20 per cent., *synthetic* 33 per cent., *Copper* 31 per cent., and *Hardware*, including *Cutlery*, 7 per cent.

In *Horses, Mules, Donkeys, Camels*, there is a decrease of 15,500 head, mostly in camels and mules, of which there was an abnormal importation in 1904 owing to the cattle plague.

Machines also show a decrease of £ E. 35,700, or 4 per cent. The decline in the importation took place during the month of December; the imports under this heading up to the end of November having been £ E. 137,000 in excess of that of the corresponding period of 1904.

The value of goods imported by parcel post amounted to £ E. 621,000, compared with £ E. 563,300 in 1904.

(b.) *Exports.*

The United Kingdom and the Colonies took 54·3 per cent. of the total exports, France coming second with 8·5 per cent., Germany next with 7·3 per cent., and then America with 6·3 per cent. Shipments to other countries were all under 5·5 per cent.

Cotton and Cotton Seed represented 86 per cent. of the total exports, the values being respectively £ E. 15,806,400 and £ E. 1,714,000. Compared with 1904, cotton shows an increase in quantity of 614,100 kantars and a decrease in value of £ E. 896,300, owing to a fall in prices during the first months of the year. Seed on the other hand is 558,000 ardebs more in quantity, and £ E. 193,000 more in value.

Sugar exports increased from £ E. 238,600 to £ E. 400,000.

Onions, owing to a good crop and favourable prices, advanced in value from £ E. 265,300 in 1904 to £ E. 393,400 in 1905.

The following articles show a decrease in value: *Eggs*, 18 per cent.; *Rice*, 6 per cent.; *Beans*, 37 per cent.; *Cotton Cake* and *Cotton Oil*, 8 per cent.; *Gum Arabic*, 7 per cent.

(c.) *Tobacco.*

The quantity of leaf tobacco withdrawn from bond during 1905 was 7,485,100 kilog., compared with 7,260,300 kilog. in 1904. The importation of tombac amounted to 504,400 kilog., or an increase of 7 per cent. On the other hand, there was a decrease of 10 per cent. in cigars and cut tobacco.

The 7,485,100 kilog. of leaf tobacco were supplied by the following countries:—

Country.	Amount.
	Kilog.
Turkey	3,736,300
Greece	3,062,500
Bulgaria	332,700
Austria	217,600
China	86,200
Other countries	49,800

The re-exportation of tobacco in the form of cigarettes shows a satisfactory growth. The quantity re-exported during 1905 was 702,800 kilog., compared with 620,500 kilog. in 1904, or an increase of 13 per cent.

(d.) *Customs.*

The Customs revenue from all sources, less drawbacks and repayments, amounted to £ E. 3,322,148, being an increase of £ E. 105,870 on the receipts of 1904. For the sake of comparison, however, it should be borne in mind that the rate of duty on several articles was reduced from 8 per cent. to 4 per cent. on the 25th November, 1905, which involved a diminution in the receipts of about £ E. 12,000. It will be interesting to watch during the current year the extent to which the loss of revenue consequent on these reductions is recouped by increased consumption.

Moneys collected by the Customs on behalf of other Government Departments, &c., during the year amounted to £ E. 145,000.

(e.) *Smuggling.*

675 persons charged with smuggling (chiefly hashish) were tried by the Customs Commission in 1905; 643 were finally convicted, 25 were acquitted by the Commission, and appeals against 7 decisions are still pending in the Tribunals. The penalties recovered amounted to £ E. 2,637, in addition to the confiscation of the goods.

(f.) *Quays at Alexandria.*

In concluding his Report, Chitty Bey, the Director-General of the Customs, remarks:—

"In spite of practically the whole of the increase of imports having entered the country at Alexandria there was decidedly less congestion on the quays than in 1904. This was due chiefly to regulations, which were enacted last year with a view to insuring the prompt removal of goods, and also to a better distribution of the work. However, until the new quays and warehouses, for which money has been granted, and which are being pushed forward with all possible speed, have been completed, the public must inevitably suffer some inconvenience during the heavy import season from the lack of space."

15. Balance of Trade.

Sir Vincent Corbett, in his note on the Estimates for the current year, drew attention to the fact that the imports of merchandize and specie, taken together, have, during the last two years, exceeded the exports; and that the process of paying for imports with capital provided by the foreign investor, though by no means necessarily unsound at present, could not be indefinitely continued.

The subject, I need hardly say, is one of great importance. I have personally paid much attention to it; but I thought it desirable to ask Mr. Roussin, who is far better qualified than myself to deal with a question of this sort, to go thoroughly into the matter. He has accordingly written a very interesting Memorandum, which I annex to this Report (Inclosure 1).

I fully agree with Mr. Roussin in thinking that, in view of the many unknown—or at all events uncertain—elements in the problem, no attempt to balance off the trade exactly would be of much value; but the main facts, as also, I think, the conclusion to be drawn from them, are clear enough.

The essential facts are:—

1. That while the exports might, on account of the charge on the foreign debt, have been expected, as in former years, to largely exceed the imports, the latter have, on the contrary, overtaken the former.

2. That the reason for the relatively greater increase of the imports is due to a large extent to the influx of European capital into Egypt.

3. That should this influx of capital at any future time cease, or diminish, the external debt of Egypt will be increased by the amount due to the foreign investor on the capital now flowing into the country.

4. That should this take place, any readjustment must, as Mr. Roussin says, take the form of an increase in the exports, or that of a decrease in the imports.

It is manifestly very desirable, in the interests of Egypt, that it should take the former, and not the latter, of these two forms. This can almost certainly only be done by increasing the productivity of the soil, and also by extending the area under cultivation. Hence, the conclusion at which I arrive is that the policy hitherto adopted by the Egyptian Government of expending considerable sums of money on public works, notably on railways and irrigation, is quite sound; and, further, that the gradual execution of some such programme as that put forward by Sir William Garstin is an economic necessity both for Egypt and the Soudan.

16. Movements of the Currency.

I have mentioned in previous Reports that about two years ago a good deal of inconvenience was caused to the public by a dearth of silver. The stock of silver in the hands of the Government has now been largely increased, and nothing of this kind is likely to happen again. I annex to this Report (Inclosure No. 2) an interesting Memorandum, prepared by Mr. Roussin, on the movements of gold and silver during the past year.

17. Paper Currency.

The average daily amount of National Bank of Egypt notes held by the public in 1905 was £ E. 913,000, as against £ E. 454,000 in 1904. All the denominations, from £ E. 5 upwards, shared in this increase. On the 31st December, 1905, the notes in circulation amounted to £ E. 1,389,000, being the maximum for the year, against £ E. 538,000 on the corresponding date of 1904. The notes appear to be becoming popular amongst the Egyptians. The richer merchants and large landowners are beginning to take them freely.

A statement appeared a short time ago in a local paper that a commission had been charged at one of the branch offices of the bank for cashing some notes. On inquiry, I learn that only one case of this sort has come to the knowledge of the central office. On this occasion, the manager of the branch was at once instructed that the notes should be paid at their full value. It is evidently desirable, in order to maintain confidence in the notes, and to extend their circulation, that they should be cashed at their face value wherever presented. The Bank appears to be alive to this aspect of the question, and although they are, of course, under no legal obligation to cash the notes elsewhere than at their central office, I understand that, as a matter of fact, the notes have so far been practically cashed everywhere without charging any commission.

The fact that there is an internal exchange in Egypt is a natural consequence of the general use of actual coin in the settlement of transactions in the interior of the country. It can only be broken down by the extended employment of instruments of credit for this purpose, such as the bank notes themselves, and by the growth of deposit banking. In more advanced communities, the confidence in bank notes is so great, and the banking system so widely developed, as to render feasible the payment of the notes all over the country. Thus, in Scotland and Canada, the banks redeem each other's notes mutually, although the distances in the latter country are very great. In England, although the Bank of England notes are legally payable only at the place of issue and in London, they are accepted in practice without difficulty at other offices if tendered by customers. In Germany, the Reichsbank, under ordinary circumstances, pays its notes at its branches, and every independent bank is required to redeem its notes at an agency in Berlin or Frankfurt. In India, on the other hand, where the internal exchange plays a large part in the commerce of the country, the Government notes are redeemable only at the place of issue or at the chief town of the Presidency where they are issued. There is happily reason to believe that the conditions of Egypt tend rather in the direction of assimilation to those existing in European countries.

18. Banking.

There can be no better indication of the development of commercial activity in Egypt than is afforded by the remarkable increase during the last few years both in the number of banks established and the volume of business which they transact.

Joint stock banks in Egypt may be classed under various heads. Some are exclusively Egyptian, deriving their constitution from Khedivial Decree and having their administration and seat of operations in Egypt; while others, although their business is confined more or less to Egypt, are constituted under the laws of the countries where their principal Board of Direction is resident. A third class consists of branches of foreign establishments whose management and larger sphere of activity is elsewhere.

Again, some are deposit or general banks, and others are mortgage banks, confining their business to loans on real property.

I find, on examining the figures of the purely Egyptian deposit banks, that the amount of their share capital and reserves has increased from 2,939,000*l.* in 1901 to 6,300,000*l.* in 1905. The conjecture may safely be hazarded that, were it possible to ascertain the figures relating to the Egyptian business of the foreign banks, somewhat similar progressive movements would be exhibited.

The same remark applies to the case of private banking firms, of which there are a considerable number. The accounts of these latter are not published.

The total liabilities of the purely Egyptian deposit banks have increased from 7,456,000*l.* in 1901 to 19,604,000*l.* in 1905, and the total assets have, during the same period, increased from 10,585,000*l.* to 26,424,000*l.*

In a country such as Egypt, where a comparatively high rate of interest is easily obtainable, it must often be a temptation to bank managers to borrow large sums from the market on short terms for employment in advances. After examining the balance sheets of most of the leading banks, I cannot help thinking that it is worth the attention of the Directors to consider whether the proportion of their liabilities covered by cash, by money at call on short notice, or by first-class securities should not be increased.

This consideration confirms me in the view, which I have long held, that it is most advisable that an institution should exist in this country which will, to a certain extent, be what is termed "the Bankers' Bank," and which, in the event of a commercial crisis, would be able to afford assistance to other institutions which might find themselves in temporary difficulties.

About a year ago informal negotiations were entered into between the Ministry of Finance and the late Sir Elwin Palmer, with a view to establishing more intimate relations between the Government and the National Bank of Egypt. Certain limitations of the bank's general business were suggested with a view to bringing its practice more nearly in conformity with that of State banks elsewhere. The question was discussed in considerable detail, and it was recognized on both sides that the commercial conditions of Egypt did not admit of such stringent rules being laid down as are observed by State banks in some other countries. It was, however, agreed that, during one year, a tentative effort should be made by the bank authorities to meet the wishes of the Government. I understand that some progress has already been made in this direction, and I have every hope that when, as will shortly be the case, negotiations are resumed, it will be found possible to arrive at an understanding satisfactory to both parties. Meanwhile, any one who likes to look at the balance sheet of the National Bank will readily be able to satisfy himself that its financial position is one of exceptional strength.

The share and debenture capital and the reserves of the mortgage banks have increased from 7,263,000*l.* in 1901 to 29,749,000*l.* in 1905. Their liabilities during the same period have increased from 6,530,000*l.* to 23,403,000*l.*; and their total assets, from 7,744,000*l.* to 32,655,000*l.* I should add that in 1901 there were only two mortgage banks in Egypt, whereas there are now six.

The very large increase in the capital of these land banks calls for some explanation. At first sight the figures appear rather startling. There is, however, I venture to think, nothing in them which need cause alarm as to the situation of the land-owners as a class.

In the first place, 8,000,000*l.* of the increase in capital is due to a financial operation between the Daira Sanieh Company and the Crédit Foncier, by which the latter took over the debts due to the former.

Other important factors are the reduction in the rate of interest which has taken place in the last few years, and the increasing confidence of the Egyptians generally in banking institutions. These two factors have operated in the direction of substituting the banks, to a great extent, as the creditors of the landed classes, in the place of local usurers.

Again, the great appreciation in the value of land would, even if there were no

unusual increase in the number of mortgages, have caused a large increase in their capital value.

Further, sales of land by reclamation Companies, which have lately been very active, count for a good deal in the increase; whilst the rapid growth of Cairo and Alexandria has unquestionably been the cause of much borrowing. Many people find it more profitable to mortgage their property in order to build, rather than to withdraw capital from their business.

Taking the deposit and the mortgage banks together, the share and debenture capital and reserves have increased from 10,202,000*l.* in 1901 to 36,049,000*l.* in 1905. The fact that by far the greater portion of this money has come from Europe has an important bearing upon the question discussed under the chapter in this Report entitled "The Balance of Trade."

19. The Mining Industry.

During the past year, a Department of Mines has been organized under the very capable direction of Mr. J. F. Wells. As the matter is of much general interest, I think I cannot do better than to publish *in extenso* a Report which Mr. Wells has recently addressed to the Egyptian Government. (See Inclosure 3.) Briefly it may be said that a departmental station has been established at Edfou, which is a convenient centre for communication with the various mining districts, and a suitable head-quarters for the special Camel Police Corps. Rough roads are being made between the mining districts and the Nile, and the ancient wells are being cleared out.

The best method of levying royalties, or Government dues, is at present under consideration, and it is hoped that a satisfactory solution of this somewhat difficult question will be found.

Such mining regulations as have been, or will be imposed, are designed to secure public order and to provide facilities for the engagement of labourers, and for their safety and proper treatment when at work.

The Government is not qualified, nor does it desire to express an opinion on the merits of any particular mining venture. The responsibility in such matters rests with the investor or his expert advisers. At the same time, it is hoped that from next year onwards the Mining Department will be in a position to publish an annual report giving information not only with regard to the metalliferous deposits of Egypt, but also in connection with such less familiar sources of eventual revenue as phosphates and nitrates for manure, marble, building stone, &c., all of which are known to exist in the country.

It should be understood that this information will be of a general and scientific nature, and that no opinion will be given as to the conduct or prospects of any particular Company.

20. The Fishing Industry.

Until quite recently, it is probable that no section of the population of Egypt led so miserable an existence as the fishermen on the large salt-water lakes adjoining the sea. The fisheries were farmed by the Government, and it was reported by a trustworthy British official, who had made a special study of the subject, that the fishermen were "little better than slaves in the hands of the tax-farmers." The fishermen are a very poor, ignorant, and somewhat exceptionally backward class. They live, generally speaking, apart from the ordinary fellaheen, and their grievances attract but little public notice. I was informed, some three years ago, that the average yearly income of each family did not exceed £E. 3 to £E. 4. In 1902–03, the matter was taken in hand, and in my last two Annual Reports I explained the reforms which had been introduced. It is satisfactory to note that they have produced excellent results.

As regards Lake Menzaleh, the number of boats employed in fishing has largely increased, and, although there has been a heavy fall in the price of fish, owing to the more plentiful supply, the profits of the fishermen are much larger than formerly. Snow Bey, an Inspector of the coast-guards, reports as follows:—

"The lot of the fishermen is indeed much improved, and I think they will in the course of a few years be a more wealthy class than their brothers, the fellaheen. Since the inauguration of the present system of licences, which in itself meant emancipation from what was practically a state of slavery, they have had many advantages given to them, notably amongst which I may mention the throwing open, during the six most

valuable fishing months of the year (May to November) of the whole of the northern part of the lake, known as the Ashtoum-el-Gameel, representing at least £E. 14,000 a-year, which sum should, I think, be very considerably increased during the next few years when the lake in general has had time to benefit by the new laws regulating the fishing in the lake, whereby fish seeking an outlet to the sea, at the spawning time, will have a fair chance of reaching it. When this is considered with the statement, made on good authority, that on an average some 300,000 or 400,000 roe-bearing grey mullet were caught yearly by the concessionnaire during the six months (from May to October) at the Ashtoum-el-Gameel, the hope of future benefits loom large before the fishermen."

Another large lake is Lake Brollus. The net profits of the fishermen per month, which were £E. 2·5 to £E. 3 in 1904, have increased to £E. 2·75 to £E. 3·5. The number of boats, which was 169 in 1903, increased to 361 in 1904, and to 434 in 1905. A good test of prosperity amongst the poorer classes in Egypt is the number of marriages which take place. Another test is the number of pilgrims who go to the Hedjaz. In 1903, there were 69 marriages amongst the Lake Brollus fishermen; in 1904, the number was 87; and in 1905, 113. Only four pilgrims went to the Hedjaz in 1903; in 1904, there were 22; and in 1905, 51. The buildings now being erected are of a much better type than those which existed formerly; mortar is being used instead of mud; and wood for the roofs of the houses instead of palm tree trunks, cane, &c. The quality of the clothing worn by the fishermen, their wives and families, is also better than heretofore. Sheehan Bey, of the Coast-guard Service, reports as follows:—

"The prosperity of this year's fishing industry exceeded even the expectations of the fishermen. Some of them cannot yet realize that they will be allowed to work under the present conditions for any time, as reports have been spread that the Government will one day go back to the old order of things and lease the lake. I have always assured them that the Government has no such idea, and that these reports are false. The number of complaints received this year have been very few, and principally of a trivial nature."

I am informed that the fishermen of Lake Edkou are even better off than those of Lake Brollus.

The lessee's lease of Lake Mariout only expired in 1904. 1905, therefore, was the first year under the new system. The fishermen used to pay to the lessee 55 per cent. of their earnings, either in money or in kind. They are now earning from £E. 2·5 to £E. 2·75 per head per month.

21. The Distribution of Land.

In my Report for last year (pp. 29–31) I gave a comparative statement of the distribution of the land in the years 1900 and 1904 respectively. The figures for 1904 were, however, only approximate. I am now able to give the exact figures. They are as follows:—

Extent of Holding.	Foreigners.		Natives.		Total.			
	Number.	Acreage.	Number.	Acreage.	Land-owners.	Per Cent.	Acreage.	Per Cent.
Below 5 acres ..	2,597	4,499	937,470	1,215,665	940,067	86·24	1,220,164	23·17
Above 5–10 acres ..	694	5,163	78,066	546,062	78,760	7·23	551,225	10·47
„ 10–20 „ ..	583	8,456	37,956	525,428	38,539	3·54	533,884	10·14
„ 20–30 „ ..	315	7,782	11,376	277,874	11,691	1·07	285,656	5·42
„ 30–50 „ .	375	14,919	8,347	391,207	8,722	·80	336,126	6·38
„ 50 „ ..	1,601	590,106	10,662	1,749,423	12,263	1·12	2,339,529	44·42
Total	6,165	630,925	1,083,877	4,635,659	1,090,042	100	5,266,584	100

The changes in the figures do not in any material way invalidate the conclusions at which I arrived last year. Broadly speaking, it may be said that the small proprietors—by which I mean those owning less than 50 acres—are holding their own. They do not show any tendency to disappear. Between 1900 and 1904, the acreage held by the

proprietors of over 50 acres has increased by 95,956 acres. The total area of land under cultivation was 152,532 acres more in 1904 than it was in 1900. The larger share of this appears to have gone to the big proprietors, but it must be borne in mind that in this category are included Land Companies, who, it may be hoped, will eventually resell their properties, and thus give the small proprietors opportunities of acquiring the land.

The distribution of land as between Europeans and natives does not appear to have undergone any material change. In 1900, 6,347 Europeans held 586,149 acres of land. In 1904, 6,165 Europeans held 630,925 acres. Thus it would appear that the number of European proprietors has diminished, whilst the acreage which they hold has somewhat increased. In 1900, 908,067 native proprietors held 4,527,903 acres of land. In 1904, 1,083,877 native proprietors held 4,635,659 acres. It would appear, therefore, that both the number of native proprietors and the aggregate amount of land held by them have increased.

The figures for 1905 will not be available in time to be published in the present Report.

22. The Agricultural Bank.

In the course of last year, the Agricultural Bank was authorized to issue 284,000 new ordinary shares of 5*l.* each to its old shareholders at par, thus raising its authorized share capital from 2,500,000*l.* to 3,740,000*l.* The Bank was also authorized to increase its debenture capital from 2,500,000*l.* to 6,570,000*l.*

In the course of the last year, 106,373 loans were made by the Bank. Of these, 47,941 were what are called "A" loans, that is to say, they were loans issued against receipt, of from P. T. 50 to £E. 20. The remaining 58,432 loans were "B" loans, that is to say, they are repayable over a period of years and are guaranteed by mortgage. These loans are from £E. 10 to £E. 500. The most popular form of loan appears to be from £E. 10 to £E. 50. Of the total number of 58,432 loans, 45,267 fell within this category.

The total amount outstanding on the 31st December, 1905, was 5,914,000*l.*, as against 4,006,000*l.* on the 31st December, 1904.

Towards the close of last year the collections on account of interest and sinking fund were made with some difficulty in the Province of Behera and in the northern portions of Gharbieh and Dakahlieh. The difficulty arose owing to the lateness of the cotton crop. Nevertheless, out of a total collection due for the year of £E. 1,433,150, only £E. 94,633 remained uncollected at the end of December, and of this sum over £E. 20,000 was collected in January.

I wish, in connection with this subject, to record my opinion that Egypt has sustained a very heavy loss in the premature death of Sir Elwin Palmer, who, in various capacities, rendered most eminent services to the Egyptian Government and people. Sir Elwin Palmer, I may observe, when he occupied the post of Financial Adviser, took a leading part in the initiation of the system under which small loans are made to the Egyptian cultivators, and this at a time when comparatively few believed in the success of the measure.

23. Post Office Savings Bank.

There was a considerable increase in the number of depositors in the Savings Bank in the course of last year. On the 31st December, 1904, they amounted to only 29,152; on the 31st December, 1905, the number had risen to 43,424, of whom 31,411 were Egyptians and 12,013 foreign subjects, mainly Italian and Greek.

The total amount due to depositors on the 31st December, 1905, was £E. 236,420.

The measure recently adopted, under which deposits in the Savings Bank are not liable to seizure for debt, will probably encourage investors.

On the 1st January, 1905, the children's Savings Banks came into operation. At the close of 1905 there were 2,645 child depositors. Of these, 1,118 were in attendance at the Government, and 1,527 at private schools.

24. The Statistical Bureau.

The Statistical Bureau has been occupied since its creation, in the spring of last year, in working up the large amount of material already existing in the annual reports

published by the various Ministries and Departments. Considerable progress has been made, and it is hoped that, in the course of the current year, some publications will be ready for issue.

I fear that some time will elapse before thoroughly trustworthy agricultural statistics are available. The best method of collecting them, however, is receiving careful attention.

III. FINANCE.

25. Accounts for 1905.

One of the minor defects of the financial system which existed prior to the signature of the Anglo-French Agreement was that the Accounts and Estimates were presented to the public in a form which was not readily comprehensible to anybody, unless he happened to be versed in all the intricacies of Egyptian finance. I am glad to say that the whole system has now been greatly simplified. When the figures have once been stated, it is no longer necessary to make a number of adjustments in order to understand their real meaning.

The Estimates for the year 1905 were as follows :—

	£ E.
Revenue	12,255,000
Expenditure	11,755,000
Surplus	500,000

The Accounts show the following result :—

	£ E.
Revenue	14,813,000
Expenditure	12,125,000
Surplus	2,688,000

The revenue was, therefore, £ E. 2,558,000 in excess of the Estimates. The increase was spread over almost every head of account. In spite of the large reductions of taxation which have taken place of late years, the revenue is the largest which has ever been collected.

The expenditure was £ E. 370,000 in excess of the Estimates. The increase of railway expenditure, which naturally varies with the receipts, is of itself more than sufficient to account for this increase.

26. The Reserve Fund.

After deducting the sum of £ E. 3,050,000,* which was paid to the Caisse de la Dette at the commencement of the year, the amount standing to the credit of the Reserve Fund of the Egyptian Government on the 1st January, 1905, was £ E. 10,038,055. The receipts and expenditure of the past year were as follows :—

Receipts.	£ E.	Expenditure.	£ E.
Balance on 1st January	10,038,055	Various grants, mainly for public works	2,768,178
Liquidation of Daira Loan.. ..	1,527,869		
Surplus of 1905	2,688,524		
Miscellaneous receipts	601,437	Balance	12,087,707
	14,855,885		14,855,885

* This amount is made up of two items, namely, £ E. 1,800,000, constituting the Reserve Fund in the hands of the Caisse de la Dette, for which provision is made in the Decree of November 28, 1904, and £ E. 1,250,000, which constitutes a cash balance. (See my Report for 1904, p. 10.)

It will be seen, therefore, (1) that the balance standing to the credit of the Reserve Fund on the 1st January, 1906, was about £E. 12,088,000, being about £E. 2,049,000 more than the amount brought forward from 1905; and (2) that the actual expenditure in 1905 (£E. 2,768,178) was only about £E. 80,000 more than the surplus of 1905 (£E. 2,688,524). In other words, the whole of the "extraordinary" expenditure of 1905, with the exception of £E. 80,000, was met out of revenue.

I should add that about £E. 2,468,000 of the balance is pledged to expenditure of various descriptions, thus leaving an unpledged balance of about £E. 9,620,000.

27. The Caisse de la Dette.

It will be remembered that under the Khedivial Decree of the 28th November, 1904—which formed part of the Anglo-French Agreement, and which came into operation on the 1st January, 1905—nearly the whole of the land tax of Egypt was pledged to the service of the Debt. It was further provided that, when the payments made direct to the Caisse amounted to the total sum necessary for meeting the interest due during the year, the remainder of land tax, until the close of the year, should be paid into the Egyptian Treasury. This arrangement has worked very smoothly. From the 1st January, 1905, up to the 5th December, the total payments made to the Caisse amounted to £E. 3,548,053. This amount, added to a sum of £E. 88,798, being the interest of the stock in the hands of the Caisse, made a total of £E. 3,636,851. The amount necessary to pay the interest of the Debt was £E. 3,588,111, being £E. 48,740 less than the money paid to the Caisse. This latter amount was, therefore, repaid by the Caisse de la Dette to the Government. From the 6th December to the close of the year, the land tax in the pledged provinces was paid direct to the Egyptian Government Treasury.

I observe from time to time that statements are made in the press to the effect that there is some idea of raising the question of whether the Caisse de la Dette should not be at once abolished. I take this opportunity of stating that there is not a shadow of foundation for these reports. Under the Agreement made in 1904 between the Powers, no conversion of the Debt can take place until the year 1912. Until then, therefore, the situation of the Debt will remain unchanged, and the Caisse de la Dette in its present form will certainly continue to exist. So far as I am aware, there is no intention whatever on the part of any responsible authority to raise the question. Whether any conversion will take place in 1912 depends upon a number of circumstances which cannot now be foreseen, and which it would be altogether premature to discuss.

28. The Egyptian Debt.

The complete liquidation of the Daira Loan furnishes a suitable opportunity for making some remarks on the past, present, and probable future condition of the Egyptian Debt.

In 1883, the year immediately following the British occupation, the capital of the Debt, which was then exclusively held by the public, amounted to 96,457,000*l.* The annual charge for interest and sinking fund was 4,268,000*l.*

In 1885, the Guaranteed Loan, the nominal capital of which was 9,424,000*l.* was issued.

In 1890, the conversion of the Privileged Debt from a 5 per cent. to a 3½ per cent. stock, whilst reducing the interest charge, increased the capital of the Debt by rather more than 7,000,000*l.* A portion of this increase was due to the fact that, in the process of conversion, about 1,330,000*l.* fresh debt was incurred, the money being applied to irrigation expenditure and the commutation of pensions.

In 1891, the Debt reached its maximum figure of 106,802,000*l.* The charge for interest and sinking fund at that time was 4,127,000*l.*, being 141,000*l.* less than in 1883.

In 1902–04, fresh Preference Stock, amounting to about 1,734,000*l.*, was issued, the proceeds of the loan being applied to railway expenditure.

Since its creation in 1885, the Guaranteed Loan, which, as I have said, originally amounted to 9,424,000*l.*, has been steadily reduced. The interest and sinking fund is paid by a fixed annuity amounting to 315,000*l.* On the 31st December, 1905, the capital

of the debt amounted to 7,849,000*l.* In twenty years, therefore, debt amounting to 1,575,000*l.* has been paid off, mainly out of revenue.*

The Domains Loan, the capital of which in 1883 amounted to 8,255,000*l.*, has been reduced, mainly by the sale of the property, to 1,535,000*l.*, a reduction of 6,720,000*l.*

The Daira Loan, the capital of which in 1883 amounted to 9,009,000*l.*, has been entirely liquidated by the sale of the property.

The Privileged Debt, the capital of which in 1883 amounted to 22,467,000*l.*, amounted on the 31st December, 1905, to 31,128,000*l.*, an increase of 8,661,000*l.*

The Unified Debt, the capital of which in 1883 amounted to 56,726,000*l.*, stood, on the 31st December, 1905, at 55,972,000*l.*, a reduction of 754,000*l.*

The total capital of the Debt, therefore, on the 31st December, 1905, was as follows:—

	Amount.
	£
Guaranteed 3 per Cent.	7,849,000
Preference 3½ per Cent.	31,128,000
Unified 4 per Cent.	55,972,000
Domains 4¼ per Cent.	1,535,000
Total	96,484,000

The charge on account of interest and sinking fund was 3,709,000*l.*

Thus, the capital of the Debt now stands at almost the same figure as in 1883, the difference being only 27,000*l.* On the other hand, the interest charge has been reduced from 4,268,000*l.* to 3,709,000*l.*, a decrease of 559,000*l.*

It is, however, to be borne in mind that stock to the extent of 8,770,000*l.* is held either by the Government or the Commissioners of the Debt. The interest charge on this amount of stock is 331,000*l.* The total amount of Debt in the hands of the public is, therefore, 87,714,000*l.*; that is to say, 8,743,000*l.* less than in 1883; and the interest charge which has to be borne by the tax-payers of Egypt is 3,378,000*l.*, being 890,000*l.* less than the figure of 1883 (4,268,000*l.*).

As regards the future of the Debt, it is to be observed that in 1912 the whole of the Debt, except the Domains Loan, becomes liable to conversion. This latter loan will certainly by that time have been entirely paid off by the sale of a portion of the property mortgaged.† Should no conversion take place, the Guaranteed Loan will steadily diminish, and will be finally paid off in 1952. No attempt is being made, nor, for the present, is likely to be made, to pay off the Preference or Unified Debts. On the contrary, they are likely to increase. It would obviously be an unsound policy to pay off any portion of these debts whilst the Government continues to incur heavy extraordinary expenditure for Public Works. The large amount of stock now held by the Government will gradually be placed on the market. The greater or less rapidity with which this operation will be conducted will depend, in the first place, on the amount which it will be found possible to spend annually on remunerative Public Works, and, in the second place, on the annual surplusses which are realized, and which will obviate for a time the necessity for borrowing. When, eventually, the stock now held, supplemented by the annual surplusses, is exhausted, it will be necessary to borrow, unless the material progress of the country is to be checked. Some long period will, however, probably elapse before this necessity arises.

I should remark that, in 1968, the Suez Canal becomes the property of the Egyptian Government, when a large asset will be placed at its disposal, which can be used for the reduction of debt

29. The Estimates for 1906.

I have on so many previous occasions‡ explained the general nature of the financial policy which has been pursued in Egypt since the British occupation commenced, that I

* I say "mainly" only, because a small portion of this reduction has been effected by the sale of Government land.

† It is now certain that, after the Domains Loan has been fully paid off, a large area of very valuable property will revert to the Government.

‡ See, notably, "Egypt No. 1 of 1903," pp. 3–14.

need here only allude to the subject to such an extent as is necessary to explain the present stage of the execution of that policy.

It will be remembered that, in the first instance, fiscal reform was placed in the first rank of the Government programme. Writing in the spring of 1903, I explained that, as a consequence of the adoption of this policy, direct taxation to the extent of about £ E. 1,600,000 had been reduced; and further, that a reduction of 40 per cent. had been made in the salt duty; whilst the postal, railway, and telegraph rates had undergone a great diminution. The necessary consequence of the adoption of this policy was that the sums devoted to administrative expenditure were insufficient to meet the growing demands of the country. In 1903, therefore, it was thought that, for the time being, it would be desirable to suspend any further measures involving a loss of revenue, and to apply any surplus funds which might be available to an increase of expenditure. This programme, however, was subsequently modified. In the first place, the revenue grew more rapidly than had been anticipated. In the second place, a larger amount of freedom of action than had heretofore obtained was accorded to the Egyptian Government by the conclusion of the Anglo-French Agreement in April 1904. Under these circumstances, it became possible to devote considerable sums to increased expenditure, whilst at the same time continuing the policy of fiscal reform. Writing in the spring of 1905,* I explained that in the two years 1904–05, it had been found possible to grant a further remission of taxation, amounting to about £ E. 300,000: whilst at the same time the administrative expenditure was increased by £ E. 109,000 in 1904, and by no less than £ E. 556,000 in 1905.† In dealing with the Estimates of 1906, the circumstances were such as to justify the Government in again advancing simultaneously along the two lines.

The following taxes have been either abolished or reduced :—

	Estimated Loss of Revenue.
	£ E.
Salt monopoly, abolished	175,000
Tax on sea-fishing boats, abolished	2,000
Ferry tax on canals and the Nile, reduced or abolished	7,000
Reduction of Red Sea light dues	30,000
Reduction of import duty from 8 to 4 per cent. on coal, liquid fuel, charcoal, firewood, timber for building purposes, petroleum, live stock, and dead meat	118,000
Total	332,000

After making allowance for the loss involved by these measures, the revenue has been taken at £ E. 13,500,000. This, after again making allowance for the £ E. 332,000 lost by the reduction of taxation, is less than the actual receipts of 1905 by £ E. 981,000.

The expenditure, both ordinary and special, is taken at £ E. 13,000,000. This is £ E. 1,245,000 more than the estimated expenditure of 1905, namely, £ E. 11,755,000. The increase is, however, not so formidable as would at first sight appear.

In the first place, £ E. 212,000 is merely nominal. I explained in my Report last year that it had been the custom in some cases only to enter net expenditure in the accounts. The objections to this system are obvious. It has now been abolished. This sum of £ E. 212,000, therefore, appears on both sides of the accounts.

In the second place, a sum of £ E. 236,000 is "Special," that is to say, non-recurring expenditure. It is mainly on account of building. This item is, of course, wholly under the control of the Government, and could without difficulty be reduced in future years, should the necessity for doing so arise.

In the third place, the railway and telegraph expenditure has been increased by £ E. 237,000. This expenditure naturally varies according to the receipts. If the latter do not increase in the manner anticipated, the expenditure will not be incurred.

In the fourth place, £ E. 42,000 is due to increased Post Office expenditure, which will almost certainly be covered by increased receipts.

* "Egypt No. 1 of 1905," p. 19.

† No account is here taken of the increase in railway expenditure, whether in 1904 or 1905.

These four items make altogether a total of £ E. 727,000, leaving a balance of £ E. 518,000, which may be taken as the real increase of administrative expenditure.

The most important items which make up this total of £ E. 518,000 are as follows :—

	Amount.
	£ E.
Education	20,000
Increase of police	50,000
Sanitary service	40,000
Prisons	23,000
Justice (Mixed and Native Tribunals)	20,000
Public works	45,000
Provincial administrations	7,000
Increase to salary of ghafirs	25,000
Coast guard	16,000
Military	86,000
Pensions	44,000
Increase of pay to employés	120,000
Total	496,000

I shall allude subsequently more fully to some of the items mentioned above. Explanation of the detail is also given in Sir Vincent Corbett's note, which has recently been published. I may mention that the principal cause of increase is due to the rise of price, which has involved heavier expenditure for such articles as forage, and for the maintenance of prisoners and hospital patients, and also to increased rates of wages paid to temporary employés and daily labourers. Sir Vincent Corbett estimates the total increase due to these causes at no less than £ E. 370,000.

The Estimates, therefore, stand as follows :—

	£ E.
Revenue	13,500,000
Expenditure	13,000,000
Surplus	500,000

In view of the following facts there ought to be no fear of a deficit being incurred :—

1. No allowance has been made for any normal increase of revenue in 1906 ;
2. The revenue, after allowing for the reductions of taxation, is taken about £ E. 981,000 less than the actual receipts of 1905 ; and
3. A margin of £ E. 500,000 of revenue over expenditure has been left.

Before leaving this branch of my subject I wish again to draw attention to a point of great importance, to which I alluded in my Report of last year.*

The village watchmen ("ghafirs") are partly paid by a local tax, which has existed from time immemorial. It is only paid by local subjects. Further, in some few provincial towns a voluntary tax, the proceeds of which are spent on local objects, is paid by the inhabitants. But for all practical purposes it may be said that no system of local taxation exists in Egypt. The Government is, therefore, undertaking a task which, so far as I am aware, is not performed by the Government of any other country in the stage of civilization to which Egypt has already advanced, or is rapidly advancing, namely, to meet all the rapidly increasing requirements of various localities from the proceeds of general taxation. Writing on this subject last year I said ; "It is by no means improbable that a system of local taxation will at some future time have to be adopted, both in the towns and in the rural districts of Egypt ; but I venture to deprecate its application until, with the advance of wealth and education, a really effective public opinion has been created, which will comprehend the necessity of the system, and will be keenly alive to the needs which such a system is intended to meet. At present, there is a wide gulf between the requirements of the Europeans and of the educated portion of the native community on the one hand, and of the mass of the population on the other hand. The former might perhaps be reconciled to a system of taxation under which they would be rapidly provided

* "Egypt No. 1 of 1905," pp. 24–25.

with improved roads, streets, drains, lighting, &c. The latter, unless I am much mistaken, would greatly prefer relatively slow progress in such matters, accompanied by low taxation." I still hold to this opinion, but I am not prepared to say that it would not be the duty of the Egyptian Government to modify it if a very distinct expression of public opinion were elicited in the sense of demanding modification. That the adoption of the present system has its inconveniences is obvious. It involves slow progress in respect to all those branches of improvement which are usually made by the proceeds of local taxes. The subventions given to various provincial towns has recently been increased by £ E. 12,000.* Should the financial condition permit of the adoption of such a course, I trust that the increase in future years will be more considerable; but in any case it is almost inconceivable that the Government should, in any near future, be able to apply from the proceeds of general taxation the sums really required to meet local wants. It is very necessary that all who are interested in the finances of Egypt should thoroughly understand this point, which is, indeed, one of capital importance.

30. Salt.

In my last Annual Report I alluded to the salt monopoly as the greatest remaining blot on the fiscal system of Egypt, and I expressed a hope that at some future time the financial situation would permit of a large reduction in the royalty, which amounted to P. T. 340 per ton. When I wrote, I scarcely anticipated that the reduction would come so soon. Still less did I venture to hope that it would be possible to sweep the whole system away. In examining the figures of the salt revenue, however, it was found that a reduction of the royalty, sufficiently large to make an appreciable difference in the retail price, would leave a revenue far too small to justify the maintenance of the monopoly. A more radical reform, therefore, seemed advisable, and it was decided to abolish the monopoly from the 1st January, 1906. In taking this decision, the Government considered that it would be imprudent to upset suddenly the existing system of distribution, which insured a sufficient supply of salt being available in the most remote villages. Experience had shown that the Salt and Soda Company were a successful distributing agency. In order to maintain its efficiency, an agreement was entered upon, whereby the Government agreed not to let any salines to other persons for a period of six years, the Company, on its side, undertaking to keep in its stores a sufficient supply of salt and to maintain agents in every village where they now exist (*i.e.*, in practically every village in the country), and to bind them to retail salt at a maximum price of 2 millièmes ($\frac{1}{2}d.$) per kilog. This price will, I believe, compare favourably with the retail price in any other country.

On other grounds, too, the arrangement seemed an equitable one. The Salt and Soda Company had been expressly called into existence to relieve the Government of the working of the monopoly, and, although the concession was declared revocable at six months' notice, it was not anticipated by either party that circumstances would admit of its being cancelled for many years to come. The Company, therefore, deserved some consideration. Moreover, it had waived its right to the six months' notice contained in its contract. The abolition of the monopoly without some compensating arrangement would have been a severe blow to the numerous shareholders of the Company in this country.

I have always thought that the main argument in favour of abolishing the Government salt monopoly was, not so much that a high rate of royalty was charged—though that was also an important consideration—as that the measures, which had necessarily to be adopted against smuggling, were of a very oppressive nature. The following facts in connection with this aspect of the question speak for themselves:—

During last year, 1,572 persons were arrested; 35 tons of smuggled salt were seized; 164 donkeys, 10 camels, and 2 boats were confiscated and sold; £ E. 1,100 were paid in fines, and no less than 13,000 days of imprisonment in the aggregate were inflicted on smugglers; and this, although during the month of December, when the impending change was known to the public, the number of cases of smuggling showed a large falling off. Practically, all the smugglers belonged to the poorest class of the population, and it may be said with some degree of certainty that every animal or boat confiscated and sold involved the ruin of its owner. It is an unmixed benefit to the country that a system, which produced such results as these, should be wholly abolished.

* See further remarks on this subject under the head of "75 Municipalities and Local Commissions."

31. Reduction of Light Dues.

I have stated that in the Estimates for the current year the sum of £ E. 30,000 has been devoted to the reduction of the light dues. The rates heretofore levied were as follows :—

	Up to 800 Tons.	Over 800 Tons.
	Per ton.	Per ton.
At Mediterranean ports	5 millièmes	$2\frac{1}{2}$ millièmes.
At Red Sea ports, including Port Said for vessels transiting Canal	14 „	7 „

Under the new arrangement, the dues levied in the Mediterranean will remain unchanged. Those in the Red Sea will be reduced from 14 mill. to 7 mill. per ton for ships up to 800 tons burden, and from 7 mill. to 5 mill. per ton for ships of larger capacity.

It may perhaps be desirable that I should explain why no reduction has been made in the dues levied in the Mediterranean. Up to the present time, about seven-eights of the total receipts from light dues came from the Red Sea, and only one-eighth from the Mediterranean traffic. On the other hand, the expenditure on both sides of the Isthmus of Suez was about the same. In 1905, it amounted to about £ E. 20,000 in the Mediterranean, and a similar sum in the Red Sea. It was, therefore, clear that the dues paid by shipping in the Mediterranean ports did not suffice to defray their share of the expenses of maintenance, but that the deficit was more than supplied by the receipts at the higher rates from the greater quantity of shipping at the Red Sea ports. I may also mention that the Mediterranean rates are low, when compared with those levied in other ports where light dues are in force. For instance, in Great Britain the rate for steamers is $2\frac{3}{4}d.$ (11 mill.) per ton, with a maximum of 1*s.* $4\frac{1}{2}d.$ per ton (*i.e.*, six times the rate) per annum for each steamer.

It is worthy of notice that British shipping constitutes 45 per cent. of the total tonnage which enters the Mediterranean ports and 65 per cent. of that which traverses the Red Sea. The greater portion of the latter only touch at Egyptian ports because the ships have to transit the Canal.

32. Ferries.

In dealing with the Estimates for the year, I stated that allowance had been made for a loss of revenue, amounting to £ E. 7,000, in order to effect certain reforms in the existing system for regulating ferries. It is perhaps desirable that I should add a few words of explanation on this subject.

However useful the very numerous canals which intersect Egypt may be in other respects, they certainly interfere a great deal with locomotion. For many years past I have, in my Annual Reports, recorded the number of places where bridges, some of which are made by the Government, and others through the agency of private enterprise, are being substituted for ferries. The former can probably, however, never altogether take the place of the latter.

Up to the present time, the ferries have constituted a Government monopoly. They have been farmed. The system has not worked well, and has given rise to numerous complaints. On the one hand, the farmers were under no obligation to provide an efficient service, or suitable boats, or landing-stages. On the other hand, although there was a tariff fixed by law, the ferrymen found great difficulty in collecting their fares. Their daily customers often declined to pay in money, but made occasional presents of corn or other kinds of food.

The system has now been thoroughly reformed. On almost all the canals, the Government monopoly has been abolished. Any private individual who likes to establish a ferry will be at liberty to do so, and to charge whatever rates he thinks fit.

Besides the ferries over the canals there were, until recently, 188 ferries over the Nile. On 60 of these the Government monopoly has been abolished. The remaining 128 have been farmed at about half the former rents. The concessionnaires will be

under an obligation to supply suitable boats for passengers and animals, and to build pontoon landing-stages. The ferries will be subject to periodical inspection.

This reform is one which, I have every reason to believe, will be highly appreciated by the provincial population.

33. Summary of the Financial Situation.

The financial position of the Egyptian Treasury, as it stood on the 1st January, 1906, may be summarized as follows :—

1. The Accounts for 1905 show a surplus of about £ E. 2,689,000. The revenue of the year, namely, £ E. 14,813,000, was the largest ever collected.

2. The Estimates for the year 1906, after allowing for a reduction of taxation estimated to involve a loss of £ E. 332,000, has been taken at £ E. 13,500,000, and the expenditure at £ E. 13,000,000, thus leaving an estimated surplus of £ E. 500,000.

3. A sum of about £ E. 12,088,000 stood to the credit of the Reserve Fund, of which £ E. 2,468,000 had been pledged to expenditure of various descriptions.

4. The outstanding capital of the Egyptian Debt was 96,483,880*l.* Of this amount, 8,769,820*l.* was held either by the Government or the Caisse de la Dette, thus leaving 87,714,060*l.* in the hands of the public.

34. Domains Administration.

The surplus for 1904 of this Administration was estimated at 75,000*l.* The actual surplus was 84,000*l.* The accounts for the year 1905 are not yet closed, but it is estimated that the surplus will amount to 100,000*l.*

By successive sales, the area still held by the Domains Administration has been reduced to 149,554 acres, valued at 3,242,000*l.* It is probable that, when the whole of the loan is paid off, land to the value of at least 2,000,000*l.* will remain in the possession of the Government.

In the course of last year, 2,979 acres were sold, in lots averaging 21½ acres each. These 2,979 acres had been estimated to value 65,000*l.* The actual price realized was 120,765*l.*, or an average of 40*l.* 10*s.* an acre. 484 acres were sold to foreign subjects; the remainder went to native purchasers.

Under the head of "Cotton" I have dealt with the causes which appear to have led to the partial failure of the cotton crop last season. Mr. Gibson suggests a further cause. He says that the decay of immature pods, which took place early in the month of September, may have been partly caused by a superabundance of moisture in the subsoil. "In support of this suggestion," he says, "it is to be noted that the cotton planted in the Santa Estate, where there are no drains, suffered more in this respect than that on lands further to the north of the Delta, where there are drains."

35. The Daira Administration.

The estimated excess of receipts over expenditure in 1905, which it was thought would be realized by this Administration, was £ E. 726,000. The real surplus has been £ E. 775,000. During the last three years, an aggregate surplus of £ E. 1,156,000 has been realized. The result is creditable to the Administration.

The Daira Debt has now been entirely liquidated. The outstanding portion of the loan in circulation on the 15th October was 4,444,340*l.* This has now been paid off. Since 1898, all the properties of the Daira Sanieh have been sold, mostly to native land-owners, at a total price of about 12,100,000*l.* The profit to be divided between the Government and the Company, after making some equitable deductions in favour of the latter, may be estimated at 6,800,000*l.*

Certain members of the Khedivial family allege that they have claims on this money. I forbear, however, to make any observations on this subject, as the matter is before the Law Courts.

36. The Post Office.

The following figures show the very remarkable growth which has taken place in the numbers of letters passing through the Egyptian Post Office during the last twenty years :—

Year.	Number of Letters.
1885	12,500,000
1890	16,300,000
1895	22,400,000
1900	31,900,000
1905	50,700,000

The number of parcels passing through the Post Office has also increased, since 1885, from 83,000 to 750,000. The number of value-payable parcels exchanged with foreign countries continues to increase. In 1904, the number of these parcels was 29,000, representing a value of £ E. 48,200. In 1905, the number rose to 35,950, representing a value of £ E. 51,500.

The British Post Office has not yet notified the date for bringing into force the cash-on-delivery system between the United Kingdom and Egypt.

The exchange of British postal orders between Egypt and the United Kingdom and British Colonies came into operation on the 1st April, 1905. During the nine months ending the 31st December, there were sold in Egypt 5,854 orders, representing 3,514*l.* During the same period, 2,416 orders, representing 1,864*l.*, were paid.

The most noteworthy event of the past year was the establishment of a penny postal rate between Egypt and the United Kingdom. This arrangement, which has been extended to New Zealand, India, the Straits Settlements, Cyprus, and Gibraltar, came into operation on the 15th December. All foreign countries have been informed, through the International Postal Bureau at Berne, that the Egyptian Government is willing to extend the penny postage system to any country which will grant reciprocity.

37. The Land Tax.

I give below a Table, showing the amount of the land tax, as also the arrears, during the past three years :—

Years.	Total Amount of Land Tax.	Arrears.
	£ E.	£ E.
1903	4,683,692	34,794
1904	4,825,462	21,189
1905	4,902,608	18,026

In former years, the amount of land tax remaining due at the close of every year was invariably very large. It is most satisfactory to note that during the past year, out of a total demand of about £ E. 4,900,000, the arrears only amounted to £ E. 18,000. On the other hand, I am informed that the collection of the tax was, on the whole, more difficult in 1905 than in the previous year, and, moreover, that there were a larger number of seizures. The actual sales of land on account of non-payment of the tax were in both years inconsiderable in amount. Throughout the whole of Egypt only 69 acres were sold up in 1904, and 80 acres in 1905. On the other hand, the number of seizures of movable property (principally the crop) rose from 1,413 in 1904 to 1,703 in 1905, although, curiously enough, the amount of land tax for which the seizures were made fell from £ E. 15,621 in 1904 to £ E. 13,357 in 1905. The number of sales was the same in each year, namely, 322. It is clear from these figures that it was mainly the very small proprietors who found difficulties in paying their land tax. I have no doubt that the explanation is to be found in the

remark I made in my Report of last year (p. 49), to the effect that "the Egyptian cultivator too often holds on to his produce, in the hope of a further rise of price, with the result that he eventually realizes an even lower price than that originally offered to him by the cotton agent." The tendency to hold on for a turn in the market before selling his crop was notably shown by the small cultivator in the autumn of 1903, when the price of cotton was high. Suddenly, instead of a rise, there was a heavy fall in price, with the natural result that those who had failed to sell got into pecuniary difficulties, which were probably felt not so much at the moment as in the following year. The results are shown in the figures which I have quoted above.

38. Land Sales' Registration.

I stated in my Report for last year (p. 19) that the fees on the registration of sales of land had been reduced from 5 to 2 per cent. The revenue from this source in 1904 was £ E. 723,000. Anticipating a loss of from £ E. 250,000 to £ E. 300,000, the estimate for the year 1905 was taken at £ E. 434,000. As a matter of fact, the receipts during the past year were no less than £ E. 943,000, being £ E. 220,000 in excess of those of 1904. It must not, however, be assumed that this result was wholly due to a large increase in the number of deeds of sale registered in consequence of the reduction of the dues. The registration of the sales of the Daira properties brought in a revenue of £ E. 170,000. The remainder of the increase is to a great extent due to more effective measures having been taken for the prevention of fraudulent declarations as to the value of properties transferred. It is also partly due to the increase in the number of mortgages registered.

It is a common practice, in order to escape payment of the dues, to present a deed of sale in which the purchase price is stated at a figure far below the real price. A case recently came under notice in which the declared price was only 10 per cent. of the real amount paid.

39. Land Tax Readjustment.

Satisfactory progress has been made with the readjustment of the land-tax. The two provinces of Assouan and Keneh were taken in hand as soon as the Nile flood of 1904 had subsided, and in both cases the work was finished before the flood of 1905.

The number of appeals remains low, as the following Table shows :—

	Number of Villages.	Number of Villages from which Appeals were presented.	Total Number of Appeals.	Appeals Rejected.	Appeals Accepted.
Assouan	74	13	38	30	8
Keneh	133	41	94	78	16.

A beginning has already been made with the province of Ghirgeh, and it is hoped that the work will be finished in both Ghirgeh and Assiout by the end of 1906. Only two provinces will then remain, viz., Minieh and Beni-Suef. In Beni-Suef the work of the revenue survey is being delayed by the fact that the construction of the necessary canals and drains for the conversion from summer to permanent irrigation is not yet finished, but it is hoped that the survey will be completed in time to allow the readjustment to be made during 1907. As the new rates come into force in the fifth year following that in which the assessments were made, the last two provinces will pay their new rates in 1912, and the work, which was begun in 1899, will thus have taken about twelve years to accomplish.

40. The Date Tax and the Succession Duties.

The Legislative Council has on several occasions drawn attention to the desirability of abolishing the date tax. The subject is very complicated, and I will not attempt to discuss it fully here. One of the difficulties arises from the fact that the

palm trees and the land on which they grow frequently belong to different owners. The total number of proprietors is about 487,000. Of these, about 309,000 do not own the land on which the trees stand. The result of this state of things is that if the tax were abolished it would produce unfair changes in the incidence of taxation. Indeed, many owners of date trees would pay no tax at all. Thus, suppose that two adjacent acres of land, of similar fertility, are owned respectively by two proprietors, A and B, of whom A grows only oranges and B cultivates the land, so far as the date trees existing on it permit of his doing so. A third proprietor, C, owns the date trees. If the tax were abolished, A would pay a high rate of tax;* B would pay a just rate, according to the crops he could grow; and C would pay nothing at all.

I do not say that this and other arguments, which could be adduced in dealing with this question, are conclusive reasons for not abolishing the tax, but the subject evidently requires very careful consideration.

The Legislative Council has also proposed the reduction of what are known as the Insha and Wakf dues, and the abolition of the Ayloola dues.

The first of these is a duty of 1 per cent. paid for the issue of title-deeds of house property. The payment is optional, and the yield only £ E. 400 a-year.

The second (Wakf) are dues levied on the value of a property constituted Wakf, or on the annual revenue derived from the share of any person upon his exclusion from or admission to an existing Wakf. Both of these are at the rate of 1 per cent. Further, ½ per cent. is levied on the value of a property constituted Wakf whenever the conditions of an existing Wakf are modified. These dues yield an annual revenue of £ E. 10,000.

The Ayloola, or succession duties, are, strictly speaking, the dues collected by the Mohamedan Courts for the issue of title-deeds on the inheritance of real property. An equivalent duty is levied by the administrative authority in cases where the inheritor disposes thereof by sale or otherwise without having taken out his Ayloola title-deed. The rate is 2 per cent. on the value inherited. These dues yielded a revenue of £ E. 18,000 in 1905, but the receipts are diminishing, owing largely to the fact that entries in the survey registers, which show the land in the name of the actual holders instead of that of the deceased proprietor, are usually considered sufficient evidence of title. They amounted in 1903 to £ E. 25,000 and in 1904 to £ E. 22,000.

The date tax yields £ E. 122,000 a-year.

It will be seen, therefore, that, in all, the proposals made by the Legislative Council, if adopted, would involve a loss of annual revenue of about £ E. 130,000. I need hardly say that any suggestions made by the Council will receive careful consideration. I cannot, however, at present give any pledge that it will be possible to meet their views in respect to these special points. Large reductions of taxation have been effected of late years, and although the margin of revenue over expenditure left during the current year is amply sufficient, at the same time it is essential that financial equilibrium should be fully assured. The legitimate demands for increased expenditure are numerous, and large in amount. The tax-payers must not, therefore, expect that every year it will be possible to effect further reforms, in the sense of reducing taxes, such as those which have been made of late years. Further, it must be remembered that, more especially in an oriental country, reductions in direct taxes are always popular. It is not, however, on that account to be certainly concluded that they are generally more beneficial to the interests of the whole country than reductions in indirect taxes.

IV. IRRIGATION.

41. The Flood of 1905.

Few people in Egypt, outside of the irrigation staff, were probably aware that the river levels in June and July last were the worst ever recorded, and that the supply of water passing Wadi Halfa was the smallest ever known. Such, however, was the case.

Had it not been for the assistance rendered by the Assouan reservoir at the most critical period, there would almost certainly have been a loss of crop. It is difficult

* Orchards are all taxed at the highest rate.

to estimate what this loss would have been, but that it would have been considerable is beyond a doubt. Not all the efforts of the staff would have secured irrigation for the large area under cultivation with the very insufficient supply of water at their disposal. It is, indeed, impossible to over estimate the benefits caused to Egypt by the Nile reservoir in 1905. The manner in which Mr. Webb controlled the discharge of the reservoir, and the skilful way in which Mr. Macdonald, the Resident Engineer of the Assouan dam, carried out his instructions as to the regulation of the sluices, are deserving of the highest praise.

The flood was very late in its arrival, and very poor when it did arrive. "At one time," Sir William Garstin writes, "the levels were so bad that the prospects as regarded Upper Egypt appeared to be little short of disastrous." To give some idea of the shortness of water with which Mr. Verschoyle had to deal in Lower Egypt, it may be mentioned that the area under crop in the Deltaic provinces was 1,800,000 feddans. In order to secure to this area one watering in twenty-one days, a discharge of 47,000,000 cubic metres per diem is required. The average discharge of the Delta canal system, between the 1st May and the 15th July last year, was only 39,000,000, and at one time it fell to 34,000,000 cubic metres per diem.

The Assiout barrage was again completely closed throughout the flood. The gates were dropped, so that the water passed over the top of the upper shutters. Mr. Webb states that no damage has been done to either the floor or the talus, and further remarks that "it is impossible to exaggerate the benefits to Middle Egypt which have resulted from this work."

It will be understood by all Egyptians that, with such low levels in the river at the critical period, the operation of filling the Upper Egypt basins was a work of much difficulty. It seemed probable at one time that a very large area of "sharaki" (unirrigated) land would result. Happily, a late rise somewhat improved the situation, and, thanks to the skilful manner in which the regulation was manipulated, the area left unwatered was comparatively small, rather less in fact than in the low flood of 1904.

The following are the areas of "sharaki" for previous years of bad floods:—

Year.	Areas of Sharaki.
	Acres.
1888 (approximately)	269,110
1899 „	188,137
1902 „	128,663
1904 „	46,871
1905 „	45,000

Most of the unwatered area is on islands and on the river foreshores, both of which, as they lie outside the basin area, cannot be protected in a year of low water-levels.

42. The Esneh Barrage.

Although, as will be seen from the figures given above, the area actually left unwatered in a year like 1905 is comparatively small, a very large extent of land is inadequately irrigated. This is notably the case in the Province of Keneh, which has benefited less than almost any other by the expenditure upon irrigation during recent years. It is mainly with a view to assist the flood irrigation of Keneh that the Esneh Barrage is to be constructed.

This work will—at any rate for the present—only assist flood irrigation by artificially raising the water levels in the river, and thus enabling the basin lands to the north of it to obtain water sufficient for their needs, even in a year of bad flood. It will, for the time being, in no way assist "sefi" irrigation. It has, however, been so designed that, when once the question of an increased summer supply for Egypt has been settled, and such increase has been assured, it can be raised and made use of as a "sefi" barrage similar to those at Assiout, the Delta, and Zifta. The work, which will cost about 1,000,000*l.*, will be executed by Messrs. Aird. It will be commenced at once.

43. The Assouan Dam.

It will be remembered that for two reasons it was decided last year to postpone the raising of the Assouan Dam. These reasons were, first, that certain mathematicians of great repute had expressed doubts as to whether the calculations heretofore adopted for determining the stresses and the stability of masonry dams covered a sufficiently wide range, and whether the consideration of certain important factors had not been neglected; it was, therefore, thought desirable to await the result of these deliberations before taking any further action; secondly, that it had been decided to construct a solid masonry apron, downstream of the dam sluices, in order to protect the rock from the severe action of the water issuing through them, and to observe the results of this measure before taking any final decision.

As regards the first point, I understand that the discussion still continues, but that those best qualified to speak on the subject have not as yet arrived at any very definite conclusion.

As regards the second point, most satisfactory progress has been made. All the holes and depressions caused by the rush of water through the sluices have been filled up with solid granite masonry, set in cement-mortar, up to the level of the sills of the sluices, whence it is carried down in an easy gradient to meet the natural rock surface, some 60 metres downstream of the dam. The face-work consists of square granite blocks imbedded 0·40 metres deep in the rock. Water has now been flowing, at a high velocity, over these works since August last, and with the exception of one spot, where the face-work has been removed (owing to some bad joints), they have stood the test excellently. It is hoped that the remainder of the protection works will be completed before the flood of 1906.

I wish to warn the public against the rumours, which are occasionally promulgated, that the dam is wanting in stability. These rumours are absolutely devoid of the smallest foundation. I should add that the number of persons who are in any degree qualified to express an opinion of any value on this question is extremely limited. To the best of my belief, amongst those persons, no single individual can be found who does not entertain entire confidence in the stability of the dam.

44. Conversion Works in Middle Egypt.

I wish again to explain that the main reason why the Assouan Dam and the Assiout Barrage were constructed was not, as is often supposed, to bring a large area of fresh land under cultivation. This was merely a subsidiary reason. The main objects which it was sought to attain were: first, to give an assured summer supply of water to the Deltaic provinces; and, secondly, to convert the lands of Middle Egypt from a system of basin into one of perennial irrigation. The first object has been attained, so far as the amount of water which the reservoir is capable of holding admits of its attainment. As regards the second object, the process of conversion continues, but another two or three years will probably elapse before it is completed.

Up to the end of 1905, an area of 251,170 acres of basin land had been converted, at a total cost of £ E. 1,740,514, of which about £ E. 498,000 was spent last year. This is equivalent to a rate of £ E. 6·92 per acre. In 1905, the cost was estimated at £ E. 7 per acre. Unfortunately, a new element, involving increased expenditure, has been introduced, namely, the increased cost of labour. This has resulted in a rise of all contract prices. A recent adjudication showed that the rates for all works have risen more than 60 per cent. in the last three years. This fact will entail an increase of expenditure over the estimates for 1906, amounting to £ E. 100,000. Contractors have refused to modify the rates of their tenders, and prefer to throw up their work rather than risk a loss. In preference to postponing the completion of the conversion works, and delaying the period when the new land taxes can be imposed, the Government has decided to face the extra cost and to accept the increased rates. It thus seems probable that the cost of the Ghizeh conversion works will exceed their original estimates by about £ E. 500,000.

I give a few facts illustrative both of the very beneficial results obtained by the construction of the reservoir and its subsidiary works, and of the extraordinary rise which has taken place in the value of land in Egypt.

In what is known as the Bahr Nazlah district, in the Fayoum Province, 20,000 acres of land, heretofore unirrigated and untaxed, have been brought under cultivation. At

the low estimate of £ E. 20 an acre, their value may be taken at £ E. 400,000. The Government will derive a revenue of £ E. 1 an acre, that is to say, £ E. 20,000, from these lands.

In 1898, the rental on 34,800 acres of land in the Fayoum Province, held by the Domains Administration, was £ E. 38,000, or £ E. 1·12 an acre. In 1905, the rental on 30,000 acres was £ E. 70,466, or £ E. 2·03 an acre. In 1898, the value of the Domains property in this province was estimated at £ E. 402,000. In 1899, this estimate was increased to £ E. 625,000. As regards the present value of the same lands, opinions differ. Taking the present yearly rental of £ E. 70,000, and deducting £ E. 5,000 for the cost of administration, there remains a net rental of £ E. 65,000. This sum, capitalized at 5 per cent., would put the present value of the land at £ E. 1,300,000.

In the Tutun, Kalamshah, and Ezbet Kalamshah villages—all in the Bahr Nazlah district—an area of 25,000 acres, which in 1898 was valued at prices varying from £ E. 5 to £ E. 15 per acre, is now valued at from £ E. 25 to £ E. 30 per acre.

In the Bahr Seilah district, 26,764 acres of land, hitherto uncultivated, have been brought under cultivation. At £ E. 20 an acre, their estimated value is now £ E. 535,280. They will yield an annual revenue of £ E. 1 an acre to the Government.

In the Rodah, Rubiyat, and Tamyeh villages an area of 43,848 acres, valued in 1898 at from £ E. 10 to £ E. 15 per acre, is now worth from £ E. 30 to £ E. 40 per acre, or an average increase of £ E. 1,000,000.

Sir William Garstin states that Ismaïl Pasha Sirry, who has been in charge of the operations in Middle Egypt, is deserving of the highest praise for his good work and energy. It is with great pleasure that I quote this remark.

45. Upper Nile Projects.

It will be remembered that Sir William Garstin's vast irrigation projects, the general nature of which was explained in his Report published in 1904 ("Egypt, No. 2, 1904"), were based broadly on the idea that the waters of the White Nile could be employed for the benefit of Egypt, and those of the Blue Nile for the benefit of the Soudan. I explained in my last Annual Report that a sum of £ E. 24,000 had been provided in the Estimates for 1905 in order to enable these various projects to be studied. Survey parties were organized and dispatched in different directions. Mr. Dupuis was placed at the head of this service. It is not too much to say that the future development both of Egypt and of the Soudan depends largely on the decisions which will eventually be taken in connection with these matters. In view of the very great interest and importance of the subject, I do not think I should abridge the Report which I have received from Sir William Garstin on the operations of the past year. I therefore annex it *in extenso* to this Report (Inclosure 4).

V. COMMUNICATIONS.

46. State Railways.

It is generally admitted that for many years the Railway Administration of this country was very defective, and that, in spite of the considerable improvements which have recently been made, much still remains to be done before it can be said that the situation is thoroughly satisfactory. From comments I frequently see in the press, I am led to the conclusion that either the Egyptian Government, or the Railway Board, or the Caisse de la Dette, are occasionally held more or less responsible for the shortcomings of the past. My own opinion is that the criticisms, which are often made on these various authorities, are unjust. So far as the Egyptian Government—by which for the moment I mean the Council of Ministers—is concerned, it may be said that the arrangements made, under international auspices, in 1876 and subsequent years, practically took all responsibility for railway management out of their hands. The Railway Board was certainly a defective institution; on that point every competent authority who has gone into the question has been agreed. At the same time nothing

can be more unfair than to render the individuals who were members of the Board responsible for the defects of the system. That system was, in fact, incapable of producing satisfactory results. Much the same may be said as to the Caisse de la Dette. The powers of the Commissioners were strictly limited by law, and the law did not permit the Commissioners to agree to the only measures which would have been really effective in improving the condition of the railways.

I doubt whether any one can thoroughly appreciate the reasons why the railways fell into a bad condition, unless his knowledge and recollection of Egyptian affairs goes back some twenty-five years. The evil really commenced in Ismaïl Pasha's time, notably during the years from 1877 to 1879, when the country was in the throes of bankruptcy. It continued during the early years of his successor's reign. From 1877 to 1885, the working expenses of the railway varied from as low as 33·5 to a maximum of 42·8 per cent. of the gross receipts. The railway revenue was mortgaged to the bondholders of the Preference Stock, which was created in 1876. Everything was sacrificed to the payment of the interest on the debt. The natural results of the adoption of this ruinous system ensued. No improvements could be made. The rolling-stock and permanent way fell into a thoroughly bad condition. Subsequently—that is to say, at the time of the London Convention in 1885—two fatal mistakes were made. In the first place, the working expenses of the railway were fixed by law at only 45 per cent. of the gross receipts—a figure which was far too low. In the second place, no provision was made for opening a capital account. It is easy to see now that, if the same system had been adopted about the railways which was adopted about irrigation, the result would have been equally satisfactory. In 1885, in spite of the load of debt which weighed upon the country and the very serious financial embarrassments then existing, it was decided to borrow 1,000,000*l.*, to which somewhat later another 933,000*l.* was added, to spend on the improvement of the canals. The results obtained fully justified this measure. But it was strongly opposed, and it must be admitted that at the time it seemed rather a hazardous experiment. What was required as regards the railways was to borrow at the very least 3,000,000*l.*, which should have been spent on maintenance in former years, and to make a further provision to enable more money to be borrowed as the traffic developed and additions to the rolling-stock, &c., became necessary. This, however, was unfortunately not done. The result was that for very many years the Railway Administration laboured under difficulties for which they were in no way responsible, and which the accidents of the political situation had imposed upon Egypt. Palliatives were, indeed, applied. During the years from 1891 to 1903 a sum of about £E. 1,900,000 was devoted to railway capital expenditure, the money being obtained either from loans or from the General or Special Reserve Funds. But this amount was altogether insufficient to repair the omissions of the past and at the same time meet the demands which arose from the growing prosperity of the country. It was not until the signature of the Anglo-French Agreement in 1904, that the cumbersome system which had retarded railway progress was swept away, and it became possible to inaugurate an era of real improvement.

In 1904 capital expenditure to the extent of about £E. 444,000, and in 1905 further expenditure to the extent of about £E. 647,000, was incurred. It is estimated that during the current year (1906) the capital expenditure on the railways will amount to £E. 1,000,000. Lord Farrer's Commission, as I mentioned last year, proposed that £E. 3,000,000 should be devoted to the improvement of the railways within the next few years. The money will be forthcoming, but, with every desire on the part of all concerned to move as rapidly as possible, some time must necessarily elapse before this large sum of money can be spent to advantage.

I make these remarks because my personal opinion is that the individuals concerned in the Railway Administration, so far from meriting blame, deserve the strongest commendation for having made the best of an extremely bad system. Indeed, any one who will take the trouble to study the very elaborate statistical tables recently prepared by M. Diacomidis can satisfy himself that, from many points of view, the management in Egypt compares very favourably with that of most other countries. Further, I wish to repeat that, whatever may have been the defects of the general financial system with which the Caisse de la Dette was associated, the Commissioners themselves were quite powerless to remedy the special evils now under discussion. The amount at the credit of the General Reserve Fund, which constituted the only money at their disposal, was never at any time sufficient to provide adequate funds for irrigation, public buildings, and railway expenditure. The case would have been different if the Commissioners of the Debt had had some discretionary power to use the funds resulting from the conversion of the Preference Stock in 1890. On the 31st December, 1904, when the

system was finally abolished, these accumulated funds amounted to over £ E. 6,000,000. If, instead of allowing this money to accumulate, it had been possible to devote some portion of it to improving the railways, an excellent and very remunerative investment would have been made, and the railways would now be in a very different condition from that which is actually the case.

These remarks were written before I received the Report of Sir Charles Scotter, who was specially invited by the Egyptian Government to report on the traffic arrangements in force on the Egyptian railways. It is with great pleasure that I find the general view, which I have advanced, as to the ability of the present staff to cope with the administration of the railways, confirmed by so high an authority as Sir Charles Scotter. "I am satisfied," he writes, "that the Council need have no anxiety as to the working of the railways, as they have, in their executive officers, capable and reliable men in whom they may place the utmost confidence." I annex a copy of Sir Charles Scotter's Report (Inclosure No. 5).*

Major Johnstone has sent me a very full and interesting report of the working of the railways during the past year. I can here only allude to a few points of special interest.

The following Table shows the net earnings, as also the expenditure on capital account, of the railways during the past four years :—

Year.	1902.	1903.	1904.	1905.
	£ E.	£ E.	£ E.	£ E.
Net earnings	1,059,000	1,064,000	1,233,000	1,327,000
Capital expenditure	351,000	419,000	444,000	647,000

It will be seen that the net earnings of 1905 were £ E. 268,000 in excess of those in 1902. This represents about 14 per cent. on the capital laid out during the four years under consideration, the total of which amounts to £ E. 1,860,000. With these figures in hand, I do not think there need be any fear of continuing the expenditure of capital in order to improve and extend the Egyptian railways.

When, some three years ago, the navigation dues on the Nile were abolished, it was clear that the net earnings of the railways from goods traffic would diminish. The Railway Administration, therefore, very wisely did all that was possible to recoup itself by developing its passenger traffic. Its efforts have been very successful. The number of passengers carried by the railways in 1903 was 14,952,000; in 1904, 17,725,000; and in 1905, 20,014,000. The receipts from passenger traffic rose from £ E. 996,000 in 1903 to £ E. 1,188,000 in 1904, and to £ E. 1,313,000 in 1905.

The following remarks, which I quote from Major Johnstone's report, are of interest :—

"The traffic on the Port Saïd line has been very disappointing; although the journey from Port Saïd to Cairo has been reduced in time from seven hours to four and a-half hours, and although the fares have been materially reduced and the trains carefully timed to suit the convenience of the public, the receipts for first-class passengers actually show a falling off, whilst the increase in numbers is very small. Although there is a large increase in the third-class passenger earnings on the section in question, the results do not encourage me to recommend any further large capital outlay on this section in the immediate future.

"The passenger traffic in Upper Egypt, on the other hand, and particularly that between Luxor and Assouan, has been very heavy, and, taken in connection with the heavy goods traffic, and the large quantity of material transported for the works in progress on the line, has severely strained our resources, and has led to a great deal of unpunctual working, in spite of every effort to avoid it. The number of passengers booked at Assouan alone is about double the number dealt with at Port Saïd; and there are many stations, whose names are scarcely known to the bulk of the Europeans

* In publishing this Report, a few remarks bearing on the personal qualifications of the principal officers employed have been omitted. It is unusual to publish observations of this nature. I may remark, however, that Sir Charles Scotter's language is, without exception, highly complimentary. This is all the more satisfactory, as any one who has the pleasure of knowing Sir Charles Scotter is aware that he is the last man in the world to pay empty compliments.

in this country, where the passenger traffic largely exceeds that dealt with at Port Saïd and Ismaïlia."

The contracts for railway material, exclusive of fuel, placed during the past year were distributed as follows :—

Country.	Amount.
	£ E.
Great Britain	450,000
Belgium	215,300
Germany	86,400
France*	20,000
Russia	3,600
Sweden	2,887
Purchased locally	53,500

The orders placed in Great Britain, which were for the most part given after limited competition with firms of other nationalities, included £ E. 90,000 worth of locomotives, £ E. 65,000 worth of carriages, £ E. 50,000 worth of waggons, nearly £ E. 90,000 worth of rails and accessories, £ E. 20,000 worth of signalling material, £ E. 22,000 worth of telegraph material, £ E. 22,700 worth of creosoted wooden sleepers, and a quantity of machinery, paints, trimmings, &c. The orders from Belgium included £ E. 152,000 worth of waggons, nearly £ E. 50,000 worth of bridge and roofing material, and a quantity of fishplates, bolts, nuts for rails, spare parts for locomotives, &c. The orders placed in Germany were almost entirely for locomotives and their accessories. The principal orders placed in France were for oils, machinery, and wooden screws.

I annexed to my Report for the year 1900† a Memorandum prepared by Mr. Trevithick, the Chief Mechanical Engineer in the Egyptian Railway Administration, on the relative merits of the locomotives manufactured in different countries. At that time sufficient experience had not been gained to enable a confident opinion to be expressed on the subject. Since then, these engines have been carefully watched. The results are given in a further Memorandum prepared by Mr. Trevithick, which I annex to this Report (Inclosure No. 6).

47. Light Railways.

Mr. Gunn, the Government Inspector, gives a satisfactory report of the working of two of the light railway systems last year, namely, the Delta Company and the Basse-Égypte Company. His report upon the Fayoum Light Railway Company is, I regret to say, still very unfavourable.

As regards the first two, he states that, although the passenger and goods traffic are steady and show but a slight increase over 1904, there is a marked advancement in the districts which these lines serve. The demand for building materials in the villages is constantly increasing, and the value of land in the vicinity of the railway has risen considerably.

As the agricultural roads—owing to their not being metalled—are not available for traffic at all seasons of the year, the light railways are yearly becoming more used for communications between the districts and the provincial centres. So far there appears to be plenty of scope, both for the Government railways and the light lines. All of them are working up to their full limit of rolling-stock. Boats on the navigable waterways are also doing a large business.

The Delta Light Railway Company carried 4,683,000 passengers and 623,000 tons of goods, as compared to 4,478,000 passengers and 746,000 tons of goods in 1904. The working expenses increased from 56 per cent. to rather over 61 per cent. of the gross receipts. This increase is due to improvements, to the rise in the price of wages, and to the fact that it has been found necessary to increase the salaries of the staff.

* I may mention that Captain Blakeney, who is at the head of the Traffic Department, speaks in his Report of "the great success achieved by the ten French locomotives recently put into service."

† "Egypt No. 1 (1901)," p. 59.

As regards the Basse-Égypte Company, Sir William Garstin writes :—

"This Company has worked its lines excellently, and Mr. Gunn has nothing but praise to give to it."

The number of passengers carried in 1905 was 886,000, and the number of tons of goods 69,000, as compared to 794,000 and 56,000 respectively in 1904. The working expenses, which were 43 per cent. of the gross receipts—apparently a rather low figure—were 1 per cent. less than in 1904.

As regards the Fayoum Company, Mr. Gunn writes :—

"The working throughout the year has been unsatisfactory. Although the gross receipts show an increase, we cannot accept these figures as representing the standing of the Company, as maintenance and general efficiency have not been forthcoming, and large expenditure annually required for renewals, maintenance, &c., has not been made."

The number of passengers carried was 545,000, and the number of tons of goods 144,000, as compared to 525,000 and 169,000 respectively in 1904. The working expenses of the Company were 58 per cent. of the gross receipts, as compared to 52 per cent. in 1904. The Company has been warned that if, by a certain date, an improvement be not made in the efficiency of the line, the Government, in the interest of the public safety, will exercise the right it possesses by the concession, and either close the lines or take over the whole system and work it itself.*

There are now 1,145 kilom. of light railways in Egypt.

48. Agricultural Roads.

In the course of the past year, about £ E. 22,000 was expended in the construction of 87 kilom. of new roads. Throughout Egypt there are now 2,552 kilom. of roads open. About £ E. 11,600 was expended in maintaining and repairing existing roads.

49. Passenger Traffic with Europe.

I have alluded in my recent Annual Reports to the enormous increase which has taken place during the last few years in the passenger traffic between Egypt and Europe, In 1902, 60,000, and in 1903, 74,000, passengers disembarked at Port Said and Alexandria. In 1904, the total number was 90,400. In 1905, it rose to 99,922. These figures are exclusive of troops, but include all classes of passengers.

50. Nile Navigation.

The abolition of the tolls, about five years ago, has given a very great impulse to the traffic on the Nile. The number of boats passing the Atf Lock, which connects the Mahmoudieh Canal and the Nile, in 1900, the year before the abolition of the tolls, was only 4,564. In 1905, nearly 22,000 boats passed.

51. Telegraphs.

The gross revenue of the Telegraphs during 1905 was £ E. 101,000, as compared to £ E. 84,000 in 1904. The expenditure was about £ E. 74,500, as compared to £ E. 59,000 in 1904. Of this increase of about £ E. 15,500, about £ E. 10,000 was devoted to increasing salaries, more especially those of subordinate employés.

The number of European telegrams, which passed over the lines, was about the same as in 1904, that is to say, 677,000; but the number of telegrams sent in Arabic increased from 1,089,000 to 1,248,000.

A remarkable feature in the statistics of the past year is the heavy fall in "urgent" telegrams, which pay three times the ordinary rate. In 1904, 82,000 of these telegrams passed over the lines; in 1905, the number fell to 50,000. The introduction of the

* Since writing the above, arrangements have, I understand, been made for the sale of this railway to an Anglo-Belgian Company.

Cairo-Alexandria telephone may account for part of this fall, but there appears no doubt that the main reason is to be found in the fact that messages are now much more rapidly delivered than heretofore. Three years ago, it was necessary to allow nearly two hours for a telegram from Cairo to Alexandria. I am informed that now the average time of transmission is only about seven minutes. Further, the delays of delivery have been greatly reduced. This result reflects great credit on Mr. Wallich and his staff.

There can, in fact, be no doubt that there has been a very general improvement in the working of this Department. Mr. Wallich writes:—

"The improved conditions of service and the better prospects of advancement have begun to attract candidates for admission, and although the Department is still handicapped by shortness of staff, I am happy to say that the Telegraph School is nearly full, and in the course of the year we hope that a sufficient number of pupils will pass out to enable us adequately to strengthen our staff."

Major Johnstone also writes:—

"It gives me very great pleasure to be able to report on this Department in terms of unstinted praise, and to assure you that the increased salaries granted last year have led to no decrease in profits, to a saving in fresh capital expenditure, and to a greatly improved service."

603 kilom. of new wire have been erected, and four new offices opened during the past year. A sum of £ E. 11,500 has been provided for new telephone and telegraph lines in 1906. I have little doubt that they will yield a satisfactory return.

52. Telephones.

The revenue from the Alexandria trunk telephone line continues to increase. The line cost £ E. 12,500. The gross revenue in 1905 was £ E. 3,728. After allowing for maintenance, working, and depreciation, a figure which I cannot as yet state with accuracy, the net revenue will certainly leave a high rate of interest on the capital expended.

In the course of last year, 457 new telephone lines were opened in the provinces, thus bringing the total number of lines now working in Upper and Lower Egypt to 1,036; 850 more lines are in course of construction, and it is hoped will be completed in the course of the current year. The telephonic system has still to be extended to three provinces, namely, Ghirgeh, Keneh, and Assouan. Lists are being drawn up of the villages in these provinces which should be brought within the system.

The satisfactory results obtained by the rapid means of communication thus afforded has induced the Government to consider the possibility of connecting all the provinces by telephone with the Ministry of the Interior at Cairo.

VI. PUBLIC WORKS.

53. Port of Alexandria.

The trade of the port of Alexandria has been increasing enormously of late years. The total tonnage of the steamers arriving in 1903 was 2,591,000. This figure increased to 2,614,000 tons in 1904, and to no less than 3,296,000 tons in 1905. In the latter year, out of 1,731 steamers which arrived in the harbour, 801, with a tonnage of 1,522,000, were British. The trade in bulky articles, such as coal and wood, has, in the last ten years, notably increased. In 1895, 612,000 tons of coal were imported. In 1905, this figure rose to 1,132,000 tons. The value of the wood, during the same period, rose from £ E. 496,000 to £ E. 1,200,000. The result of all this is that the port has been congested. It is only since the Anglo-French Agreement was signed, that the Government was able to take the matter vigorously in hand.

I stated in my last Annual Report that a grant of £ E. 206,000 had been made for works intended to improve the accommodation of the port. Since then, a further sum of £ E. 540,000 has been granted. Good progress is being made. Two of the new import quays will be ready by the middle of 1907, with the necessary warehouse accommodation, and two more by the beginning of 1908. Two new coal berths are now completed, and two others will be ready by the middle of the current year. A sum of £ E. 179,000 has

been appropriated to the construction of new timber quays in the outer harbour. These will, it is hoped, be ready by the end of 1908. £E. 25,000 has been granted for the construction of a small port and quays for landing cattle, immediately opposite the Quarantine Park.

One of the most important works now in hand is the inclosure of the outer harbour at a cost of £E. 120,000, by prolonging the great breakwater about 500 metres, and by throwing out a breakwater from the new cattle port quay. This work is rendered necessary by the gradual utilization of the line of coast from the cattle port to the mole (nearly 2 miles in length) for commercial purposes, including the new timber quays and the entrance to the new dock, all of which require protection from the western swell and sea, which now roll along the shore in rough weather. The work will be finished by the middle of 1908.

£E. 100,000 has been allotted for the creation of a new pass capable of allowing the largest commercial steamer to pass safely in and out of the port in all weathers, and, in conjunction with the existing pass, to provide an alternative exit and egress, in case of a block in one of them. The necessity of such a pass, in view of the continual increase in the size of commercial steamers, is obvious. Although, in perfectly smooth water, the largest commercial steamers, when in light draught not exceeding 28 feet, might enter the port with safety, they could not do so if laden with cargo, or during bad weather, and, in any case, might, after entering, be indefinitely detained in the port until they could leave with safety.

The British Admiralty has lent the Egyptian Government two powerful rock dredgers for this work. They contribute greatly to the economy of the undertaking and have proved themselves admirably adapted for their work, making it possible to dispense with the delay and expense of blasting operations. The pass is expected to be finished by June 1907.

The new graving dock has, up to the present, been little used by the public. Its value can, however, hardly be judged till workshops are erected in the neighbourhood of the dock, and until the entrance channel has been completely dredged.

54. Port Said Harbour.

Extensive works are being carried on at Port Saïd by the Suez Canal Company. It is expected that within the next five years the harbour will have been increased to more than twice its present size. An extensive basin is being dredged on the eastern side of the Canal, for the use of colliers and petroleum ships. When this is completed, the Abbas Basin (on the western side now occupied by the colliers) will be available for vessels to load or discharge general cargo in connection with the interior of Egypt. At the same time, the Cherif Basin, on the western side, is being doubled in size and deepened to 30 feet. Wharves and warehouses will be constructed without delay. The Suez Canal Company's workshops will be removed to the eastern side of the harbour, where accommodation will be made for a new village for European and Arab workmen, and the tract of land at present occupied by the workshops will be dredged away and deepened, making a new large basin of the arsenal with wharves reaching up to the railway station.

The Menzaleh Canal and Navigation Company has dredged a deep and wide channel across the shallow water of the lake, and established a service of ferry-boats between Port Saïd (Karpooti) and Matarieh, the eastern point of the fertile province of Dakahlieh. The voyage will take about three hours, and, in co-operation with the light railway of the Société Anonyme des Chemins de Fer de la Basse-Égypte, this route across the lake ought to prove of the greatest value in connecting Port Saïd with the north of the Delta. It is proposed to continue this channel as far as the station, and ultimately to connect it with a lock into the maritime canal, the present sweet-water canal passing under the channel by means of a syphon.

Another most important improvement now under consideration is the renewal of the old eastern breakwater and its continuation towards the western breakwater, so as to protect the shipping in harbour during the gales in winter.

55. Nile Bridges.

The contract for the Nile bridge at Rodah was given to Messrs. Arrol and Co. Under the terms of the contract, the work was to commence on the 1st December,

1904. Progress appears to have been somewhat slow, and it seems doubtful whether the work will be finished within the contract time.

In consequence of the large annual increase in the traffic across the Nile, and the rapid extension of the suburbs of Cairo on the west side of the river, it has been decided to build a new iron bridge across the river between the existing bridges of Kasr-el-Nil and Embabeh. Save in very exceptional cases, I have always been in favour of adopting the system of public tender for Government contracts in Egypt. On the other hand, I am very clearly of opinion that, especially when those who tender are of different nationalities, it is most desirable, if it be at all possible, to limit the point which is to be decided, when the adjudication is made, to one single issue, namely, that of price. When once matters of appreciation and taste are brought in, a wide door is opened for difference of opinion. The officials of the Government are placed in a very invidious position, for although it is quite certain that all they wish to do is to act in the best interests of the public, it is equally certain that, whatever they may decide, they are hardly likely to escape accusations of partiality or favouritism. In the case of the Rodah Bridge, the various competing firms were invited to prepare their own designs, and, moreover, a good deal of latitude was left as regards the material which was to be used in various parts of the structure. Hence, much difficulty arose in deciding which was really the best offer, and it was only by the moderation and good sense of all concerned that an acrimonious discussion did not take place as to the rival merits of the proposals put forward by firms of different nationalities. It is desirable that any risk of this sort should be avoided in the future. It has, therefore, been decided that the Public Works Department, with the assistance of whatever technical advice they may think fit to call in, shall, in the case of the Boulac Bridge, prepare their own designs, and shall lay down, in the minutest detail, the materials which are to be used. The competing firms, who will be selected from various nationalities, will, of course, have to conform strictly to the specification. There will then be only one question to be decided, namely, that of price. I trust that the adoption of this system will obviate all the difficulties which occurred in connection with the construction of the Rodah Bridge.

56. Public Buildings.

It cannot be doubted that the progress of the country is being retarded in many directions from a want of public buildings. In spite of an expenditure of £ E. 1,600,000 since 1891, an immense deal still remains to be done.

In my last Annual Report (p. 21) I dwelt on the financial aspect of this question, but the matter is of such importance that I had perhaps better revert to it. As will have been seen from the figures I have already given,* a large sum of money, which is still unappropriated, lies to the credit of the Egyptian Government in the Reserve Fund. Had this money been borrowed, I do not think that it should on any account be used save for remunerative expenditure, such as railways and irrigation. But inasmuch as it consists entirely of the accumulated surplusses of past years, there would, theoretically speaking, be no fatal objection to employing it on expenditure which cannot strictly be called remunerative, such as the building of prisons, hospitals, Government offices, &c. On the other hand, it is certainly far safer, from the financial point of view, to charge the whole of this expenditure to revenue. This, as a matter of fact, is what has been done up to the present time. The whole of the expenditure for public buildings figures in the Accounts and Estimates for the past and current years, and is termed "Special."

The grants under this head in 1905 amounted to £ E. 396,000 £ E. 299,000 having been provided in the Estimates, and additional grants of £ E. 97,000 having been made during the year. The Estimates for 1906 provide for an expenditure under this head of no less than £ E. 464,000. These grants are distributed amongst all the Departments of the State, the largest being to the Ministry of Public Instruction, which takes nearly £ E. 79,000.

For two reasons, the whole of this subject requires very careful consideration before the Estimates for 1907 are prepared. In the first place—though I do not say that the Egyptian Government cannot afford this large expenditure without incurring the risk of a deficit—it is none the less true that if such large sums are spent on public buildings, either any fiscal reform involving a loss of revenue will have to be postponed, or useful

* See Chapter 26, "The Reserve Fund."

expenditure in other directions will have to be curtailed. It becomes, therefore, a question of the relative urgency of these various subjects. In the second place, experience has shown that, up to the present time at all events, the whole of the grants are not expended in the year. Thus, of the £ E. 396,000, which, as I have already mentioned, was the grant for 1905, £ E. 326,000 was placed at the disposal of the Public Works Department; the total amount expended, however, was only a little over £ E. 123,000. I do not say that the extent to which the actual expenditure fell short of the Estimates is in any degree the fault of the Public Works Department. A good deal, I believe, depends upon the fact that much delay ensues in ascertaining, from the other Departments concerned, what their exact requirements are. However this may be, it would appear desirable to take steps to bring the Estimates, for the future, more into conformity with the amount of money which it is actually intended to spend.

57. Town of Cairo.

About £ E. 27,000 was spent during the past year upon new roads in the town of Cairo. The asphalting of the streets in the native quarters of the city cost about £ E. 16,000. The balance was spent upon the construction of the new thoroughfare to Abbassieh, known as the Boulevard Abbas. Owing to the delay on the part of the Cairo Gas Company in relaying their mains, it was, unfortunately, only possible to lay down 6,000 square metres of asphalt in 1905, instead of 20,000 square metres as had been estimated.

The total area of roads in Cairo is, at present, 2,833,000 square metres. Of these, 47 per cent. are entirely unpaved; 28 per cent. are macadamized with soft limestone; 23·75 per cent. are well made with basalt; and 1·5 per cent. are laid down with asphalt.

As regards the public lighting of the city, I have to report that important modifications were made during the past year in the contract with the Cairo Gas Company. The price of gas for public lighting has been reduced by about 40 per cent. The Government has agreed to extend the electric light contract for twenty years, and to waive their right to repurchase at the end of thirty years. Many obscure clauses in the contract were also redrafted, with the result that the relations between the Government and the Company now stand on a more satisfactory basis than heretofore. The price of gas is now ·4187 fr. per cubic metre.

VII. ADMINISTRATION.

LIBRARY OF THE BOMBAY BRANCH OF THE ROYAL ASIATIC SOCIETY

58. European Civil Service.

I alluded last year to the system by which the Civil Service of Egypt and the Soudan is recruited. There still, however, appears to be a certain amount of uncertainty in the minds of candidates and their friends as to the procedure to be adopted to obtain admission to the Services. Requests for nomination and applications for employment by gentlemen who are not qualified under the published terms of service are frequently received. I think, therefore, that it will not be amiss to explain again fully the system which has been adopted.

A candidate for the Egyptian or Soudanese Civil Services must apply on a printed form, which can be obtained from the Secretary of the Selection Board, Ministry of Finance, Cairo, or the Appointments Boards of Oxford, Cambridge, and Dublin Universities. The application form consists of a series of questions, which the candidate is requested to answer. He is required to make statements with regard to his age, health, &c., his educational and other attainments, and he is invited to give the names of persons to whom he wishes reference to be made with respect to his qualifications.

Candidates who have taken an Honours Degree at the University are given the preference, if they are otherwise fitted for the Service; whilst those who have taken a lower degree are considered as less eligible. Candidates who have never been to a University or failed to take a degree, unless they are possessed of some special technical qualifications, are not considered eligible for the Services.

Candidates should be between the ages of 21 and 25 at the time of making their application.

The Selection Board is composed, as a rule, of four of the higher officials of the Egyptian and Soudanese Governments. The members are chosen annually, and the composition of the Board usually changes year by year, as the same officials are not always available. As far as its functions go, the Board is an independent body, over which no one has any control or influence whatsoever.

The number of applications each year is far in excess of the number of posts vacant, and it is quite impossible to interview all the applicants personally. Thus, in 1904 there were 118 applications for 12 vacancies, whilst in 1905 there were no less than 220 candidates for 14 posts.

The Board, therefore, considers the applications and eliminates all those who are either ineligible or who have obviously inferior claims to those of other candidates. The remainder are requested to present themselves before the Selection Board, after having been previously examined by a Medical Board specially charged with this duty. It has been found necessary to demand a high standard of physical fitness in view of the climatic conditions of Egypt, and still more of the Soudan, both in the interest of the Government and of the candidates themselves.

The Board selects as many candidates as are required to fill the existent or prospective vacancies.

The selection itself is based on the general fitness and capability of the candidate, as well as on his intellectual attainments. References and recommendations are, therefore, accepted from any one who has a personal knowledge of the candidate, whether he has been in a position of educational control or authority over him or not. I wish again to lay stress on the fact that recommendations from persons of whatsoever authority or position who have no personal acquaintance with the candidate are absolutely valueless, if they do not actually prejudice his chances. The Board will not accept hearsay evidence.

The selected candidates proceed for one year either to Oxford or Cambridge to acquire a certain knowledge of the Arabic language under teachers specially provided by the Egyptian Government for the purpose.

Recently it has been proposed to add to the course certain other subjects of which a knowledge would be useful in official life both in Egypt and in the Soudan, and effect is being tentatively given to the proposal.

After a year's study, the candidates are required to pass an examination in the subjects which they have been learning, and, if they are successful, are again medically examined to see whether their standard of health has been maintained. They are then finally approved by the Selection Board, and given their instructions to join the service to which they have been appointed, either in Cairo or Khartoum.

It will be noticed that the Egyptian Government requires the selected candidates to study Arabic either at Oxford or Cambridge. This point is insisted on, as the Government provides native Arabic teachers at these two places, and it is considered necessary that candidates should pursue their studies under teachers who are selected by the Egyptian Government, and who are fully acquainted with the requirements of its service, as well as the local conditions and dialects of the country.

The following is the summary of the numbers of applicants and successful candidates for the last two years:—

1904. Vacancies, 12; applicants, 118. Of the successful candidates, 9 were from Oxford, 2 from Cambridge, 1 from Trinity College, Dublin.

1905. Vacancies, 14; applicants, 220. Of the successful candidates, 8 were from Oxford, 5 from Cambridge, 1 from Trinity College, Dublin.

Mr. Machell speaks highly of the young men under his orders who have been so far appointed under the new system. He adds:—

"Their Arabic when they arrive is, of course, of no immediate practical value. They undoubtedly, however, derive great benefit even now from what they learned in England. I make them follow it up, and in a short time their Arabic is on a totally different plane from that of Europeans who have picked it up in the best way they could. I have found that young gentlemen from the Universities are enormously improved by a short but severe course of military training before they go to work to learn their administrative duties. They come back with a certain amount of colloquial Arabic, respectful, and alert."

There are now twenty-four civilian officials of the Inspector class employed in the Soudan. Of these, twelve have been appointed under the new system. Sir Reginald Wingate writes:—

"The reports on these gentlemen continue to be most satisfactory, and there is little doubt that the present system of selection is the means of procuring for the Soudan a very suitable class of men, of a high standard both intellectually and physically."

As regards the standard of Arabic attained, the report of the Examiners in the Soudan fully bears out the view formed by Mr. Machell, which I have quoted above. They say:—

"Speaking from an experience that has now extended over four years, we can say that no such standard has been attained before, and that the candidates who have passed are, as far as Arabic is concerned, well qualified for the duties of their office."

59. Police.

A very full and interesting report, recently published by the Government of India, shows that the difficulties connected with the creation of an efficient police force in that country are very much the same as those which exist in Egypt. They are so well known that I need hardly dwell on them in detail. Money can, without doubt, do a good deal to remedy the defects which are very generally recognized. Accordingly, the Egyptian Government, having now a greater liberty of action than heretofore in respect to the funds at its disposal, has for the last two years been moving steadily forward in the direction of increasing the police grants. In 1905, the police budget stood at £ E. 278,000. The estimates of 1906 provide for an expenditure of £ E. 328,000, an increase of about £ E. 50,000. In addition to this, a special credit of £ E. 15,000 has been given to commence the construction of a police school, and further special credits, amounting in all to no less than £ E. 66,000 have been granted to build new police stations, out-posts, &c.

The number of cadets under instruction at the police school will be increased from 40 officers and 160 non-commissioned officers to 60 officers and 300 non-commissioned officers and native constables. In certain districts, new out-posts, involving an increase in the numbers of the police force, will be created. About £ E. 37,000 will be devoted to increasing the pay of the officers, non-commissioned officers and men. In the future, £ E. 15, instead of £ E. 12, will be the lowest rate of pay drawn by a policeman in the provinces, and £ E. 18 in the cities. Mr. Machell writes: "It is hoped that these increases of pay will enable us to retain in the service time-expired men of good character, especially mounted men, who are now very difficult to obtain, owing to none being forthcoming from the army."

I am sanguine that the police school, which was first instituted by Lord Kitchener in 1891, and has since been greatly developed under the auspices of Mr. Machell, may eventually result in improving very greatly the quality of the men who enter the police force. On this subject Mr. Machell remarks: "On the 1st April next, 300 volunteer cadet constables will be available for appointment to the city and provincial police, with pay at the rate of £ E. 2·250 per mensem, in place of conscripts from the army. These new constables, who have been carefully selected from respectable families, who all read and write well, and who will have been through a six months' course of gymnastics, drill, police duties, elementary law, and administrative duties, promise admirably, and should render valuable service, especially in the streets of Cairo, Alexandria, Port Said and the larger provincial towns. . . . . The 'Officer cadets' are all selected from among the sons of officials and notables of the best class."

60. Ghafirs (Village Watchmen).

The Ghafir tax throughout Egypt yields in all a sum of about £ E. 476,000 annually. Last year, the Government supplemented this tax by a grant of £ E. 50,000. As I explained in dealing with the Estimates, it has now been decided to increase this grant to £ E. 75,000. The money will be mainly applied to increasing the pay of the Sheikhs, and also that of the night ghafirs. In the province of Minieh the force will be increased by about 300 men.

If a sufficient number of capable Omdehs and thoroughly efficient ghafirs could be procured, almost all the difficulties connected with the maintenance of public security in the provinces would be at once solved. The difficulty is to obtain an adequate supply of capable Omdehs and thoroughly efficient ghafirs. As regards the latter subject, the following remarks, extracted from a recent Report by Mr. Machell, are of interest:—

"Large as the Ghafir Budget already is, we are not yet in a position in every province to offer a sufficient rate of pay to attract the best men. If we ever do succeed, by means of additional grants, in being able to offer terms which would be likely to secure the services of the best men in the country, I doubt if a sufficient number of reliable men really exists.

"If the ghafirs in general devoted less of their attention to their own safety, and more to the repression of crime, we should have little to complain of. But self-preservation is the ghafir's first thought, and, upon the smallest provocation, he will discharge his gun in the hope of alarming a possible assailant. He has every interest in avoiding personal danger, and very little in doing his duty.

"Police reports relating how 'the ghafirs and the thieves exchanged shots, no one was injured, and the thieves effected their escape' are far too frequent. The assailants are usually only one shade less cowardly than the ghafirs. The cowardice displayed on both sides is absolutely incredible. I always tell people that, if I had an Ezba (farm) myself, I should provide myself with a shot gun and an Erment dog, and should feel absolutely safe in any part of Egypt."

At the instance of the members of the Legislative Council, a number of non-commissioned officers (Molahizin) of ghafirs were recently appointed, at salaries of from £ E. 3 to £ E. 5 a-month, for the purpose of patrolling groups of villages with ghafirs taken in rotation for this duty. As regards the results of this system, Mr. Machell makes the following remarks:—

"The theory is excellent, and if each Molahiz really did his duty the effect would be marvellous; but everything turns on the personal efficiency of the Molahizin, and, although we are all of one opinion as regards the excellence of the scheme, the measure of success is not yet complete. The Notables say, 'get officers from the army, who will gallop up to the thieves and arrest them.' We have taken every officer who will come, and have then endeavoured to get the best material elsewhere, but we reluctantly are forced to the conclusion that a sufficient number of persons of the calibre recommended by the Legislative Council does not exist. The instinct of self-preservation appears to be as strong in the breast of the Molahiz as in that of the ghafir.

"Further, circumstances are often sacrificed to routine. I constantly insist that the 'result' is the only thing that matters, but the fellah dearly loves a groove, and the last thing in the world he likes is to act with discretion according to circumstances.

"I am not despondent, and feel confident of being able to effect a gradual and steady improvement in this important force. The difficulties are not those of system or regulations, but are purely personal, and, though we can gradually raise the tone, we cannot suddenly change the nature of a people."

61. Omdehs.

I commend the following observations, which I extract from a report sent to me by Mr. Machell and in which I fully concur, to the special attention of the Inspectors of the Interior:—

"Although in 1904 and in previous years, I have written much on the subject of Omdehs, the last word has not yet been said, and the extraordinary evolution of the fellah in this period of prosperity and independence will soon necessitate a revision of the conditions under which the Government is administered in the villages.

"The importance of getting the best possible man in each village to accept the Omdehship cannot be over-rated. The Omdeh, being the link between the Government and the governed, is an invaluable public servant. He is by no means the least zealous, but he is the least educated, the most responsible, and the most easily punished. It is not too much to say that the whole life of the village turns upon the Omdeh. A strong unscrupulous man may make his village a hell upon earth as far as his adversaries are concerned, and discontent and crime are the result.

"There is no more important duty that any British official in Egypt can be required to perform than that of ascertaining the proper candidate, and inducing the Commission to appoint him. A considerable knowledge of human nature is required, and if the Inspector allows himself to be guided by dishonest or interested advice he is worse than useless.

"It is important that an Inspector should be personally acquainted with as many of his Omdehs as possible. Some are better than others, but few are omnipotent or even omniscient in their villages, as is sometimes supposed to be the case. An Inspector,

however, who knows his men, can usually get enough out of them to enable him to act, when for various reasons they will not do so themselves.

"Once appointed, an Omdeh should be supported and taught. He should never be dismissed except for a criminal offence, or for some other very valid reason, care being taken to render it fairly certain that the dismissed Omdeh will not be able to frustrate the efforts of his successor. The Omdeh has come to need protection. He is the servant of all and master of none, not even of his own time. He is often illiterate, and it must be remembered that his interests are those of the village rather than of the Government, but nevertheless he renders invaluable services to the State for practically nothing.

"Some few years ago, the suppression of tyranny and maltreatment of the poor was a matter of primary importance, and to attain our end we had to keep an eye chiefly on the Omdeh. But the pendulum has now swung a long way over, perhaps too far, in the other direction. As time goes on, the people become more enlightened, if not better educated, and even now a man may hesitate to accept an office which carries with it so much risk and so little profit. The original exemption of 5 acres of land from taxation, and of the family from conscription, is nothing in these prosperous days. I feel that the time has come when we must make up our minds to considerably improve the material advantages which we are prepared to offer.

"I cannot lay more stress than I do at present upon the importance of our endeavouring to obtain the nomination of the best men, and, when once they have been appointed, I wish to impress on everyone the necessity of adopting a proper tone towards them. Punishment, actual or threatened, still plays far too prominent a part in the relations of the Government with the Omdehs, and good and loyal service is apt to be taken for granted. Every one knows that a good Omdeh means a good village, and it is the duty of the Administration to strain every nerve to educate, encourage, and guide our local representatives."

62. Anthropometric Service.

The Anthropometric Service, under the guidance of Colonel Harvey, continues to increase in utility and efficiency. The antecedents of about 68,000 criminals are now recorded at the Identification Bureau; 1,603 recidivists, with antecedents under other names, were identified during the past year, as compared with 1,405 in 1904.

It is satisfactory to be able to note that the number of identifications made in cases where the prisoners were either already sentenced but awaiting appeal, or had been finally sentenced, is steadily decreasing; while, on the other hand, the number identified before sentence is increasing. These facts show a marked improvement, both in the work of the police and also in the organization of the Office.

I mentioned in previous Reports that the judges were at first reluctant to accept the records of the Identification Bureau as evidence of identity. The feeling that this evidence is not trustworthy appears to be dying out. Colonel Harvey reports:—

"It is satisfactory to note that in no case during the past year has a judge declined to accept the proofs produced by the Identification Service. In one case, the judge, though not finally convinced by means of the finger prints, was satisfied as to their accuracy when he saw the special body marks on the accused, which had been recorded by the Bureau. The accuracy of the identification by finger prints was thus confirmed."

63. Prisons.

The total number of prisoners in confinement at the close of 1905 amounted to 11,981, compared with 12,853 on the 31st December, 1904.

Of these 11,981 prisoners, 2,777 were undergoing sentences of hard labour (penal servitude); 6,798 detention or imprisonment; 1,133 were under appeal; and 1,273 were still awaiting trial. 393 were women and 43 were juveniles.

The average prison population throughout the year was 12·118, as compared to 11,928 in 1904. The special feature of the year's admissions was the large number of persons sentenced to penal servitude, namely, 1,147, compared with 778 in 1904.

During the year, 3,144 juvenile offenders were whipped, as compared to 2,507 in 1904. The number of boys at the Reformatory at the close of the year was 395. The admissions during the year amounted to 106.

The mortality per mille on the average prison population was 20·16, viz., 3·18 from

infectious diseases and 16·98 from other diseases. During 1904, the mortality was 19·8 per mille.

The total expenditure of the Department during the year, exclusive of special grants for building, was £ E. 107,080, against £ E. 90,686 in 1904, the cost per prisoner, on the average population, being £ E. 8·83 and £ E. 7·42 respectively. The excess is due to the following causes:—

1. Increase in the number of penal servitude prisoners, who receive the most expensive diet.
2. General improvement of diet.
3. The higher prices paid for all articles.

The gross earnings of the prison industries amounted to £ E. 32,442 and the expenditure to £ E. 26,734.

The total sum expended during the year on prison buildings was £ E. 62,120.

The Barrage Prison will be completed during the current year and the new Reformatory in 1907. These buildings are estimated to cost about £ E. 35,000 and £ E. 70,500 respectively. This will complete the programme of central prisons, but unless a very considerable reduction takes place in the number of prisoners, other second-class prisons will have to be constructed in future years.

64. Bedouin Legislation.

A Khedivial Decree was issued in the course of last year dealing with the position of the Bedouin Omdehs, Sheikhs, &c. It did not effect any radical changes, except in respect to three points, one of which is of considerable importance. It merely regularized the existing system, and defined more clearly than heretofore the rights, responsibilities, and duties of the Bedouin Omdehs, Wekils, and Sheikhs.

The changes made were as follows:—

In the first place, disciplinary Courts have been created, on the same principles as those which apply to the Omdehs and Sheikhs elsewhere in Egypt.

In the second place, the same privileges have been bestowed upon the Bedouin Omdehs as those enjoyed by the Omdehs of Egyptian villages.

In the third place, the practice of taking and keeping hostages, which was recognized by a law passed in 1885, has been abolished. This practice was, in fact, quite indefensible. It allowed the Sheikh of a tribe, in the event of his not being able to arrest the person accused of any crime, to keep in custody one of his nearest relatives until the real criminal could be found.

The changes now made will, it is hoped, go far to strengthen the position of Bedouin Omdehs with regard to their subordinates. Recent experience has shown the necessity for a measure of this sort. On the other hand, the new law, while respecting all Bedouin privileges, will create amongst Omdehs and Sheikhs a sense of responsibility both towards their people and towards the State.

65. Slavery.

So far as Egypt is concerned, there is little to be said as regards anti-slavery operations. Kidnapping cases still occasionally occur in the Assouan district. The Arabs of that locality readily take any opportunity of seizing a stray boy or girl, and carrying them off on a camel to the Red Sea coast. Three such cases occurred in January 1905. The culprits were, however, caught, and are now undergoing various terms of imprisonment.

Captain McMurdo, in his Report, says:—

"I drew attention in my note last year to the considerable traffic which was then being carried on between Arabia and Turkey viâ the Suez Canal. The victims were generally hidden away on Russian or Turkish steamers, and, owing to the Capitulations and political considerations, it was most difficult to carry out any preventive measures effectively. Curiously enough, during the past year, very few cases of this kind have come to the notice of the Department, although the vigilance of the supervision has in no way been relaxed. I am at a loss to know to what this decrease is to be attributed. I can only conjecture that the amount of worry caused by the Department to the captains of ships and others last year has had a salutary effect. In all, during 1905, six female slaves were taken off ships and sent back to their homes in the Soudan.

From interviews which I have had with slaves who have returned from Arabia, it would appear that it is becoming better known than heretofore that a Soudanese slave who can get to Egyptian soil will be sent back to his or her home in the Soudan."

I have only to add that manumission papers were granted in 1905 to 63 male and 90 female slaves in Cairo.

66. White Slave Traffic.

An International Association was formed at Alexandria last June, under the presidency of Baron Jacques de Menasce, having for its object the suppression of the white slave traffic. The original intention of the Association was to found an asylum, but for various reasons this idea has been abandoned, and the Association now devotes itself almost entirely to the rescue of girls from the hands of traffickers. They are then handed over to their compatriots or co-religionists. In cases where this is impossible the girls have so far been sent to a home kept by Dr. Rudolph. Arrangements have been made with the police to co-operate. Two special agents are attached to the Passport Office. These, as also agents employed by the Society, meet all the boats which arrive at Alexandria. Another European police agent is charged with the supervision of the "chambres meublées."

The Association has done some excellent work, but it has naturally been confronted with all the difficulties inseparable from an undertaking of this kind. These difficulties are aggravated by the absence of any local law dealing effectively with the question, and also by the multiplicity of jurisdictions to which foreigners are subject. The various parties implicated are, as often as not, of different nationalities. It is true that there is an international Agreement between certain Powers dealing with this question, but it has to be remembered that the law in Egypt is not administered by one jurisdiction.

In addition to the assistance given by the police to the Association, a good deal of useful work has been done by the police alone, in the direction of harassing the "souteneurs," of various nationalities, who infest Alexandria. Forty-eight of these "souteneurs" were, in the course of last year, denounced to their respective authorities, and twenty-five, of various nationalities, expelled.

67. Drink.

Throughout the past year, special attention has been paid to this important question. Out of 466 applications for licences to sell alcoholic drinks, which were forwarded and strongly recommended by Moudirs and Commandants, no less than 370 were refused. The majority of the establishments for which licences were finally granted are those which have existed for a considerable time, the proprietors of which have died or retired. Even in these cases, new licences have not been granted until an exhaustive investigation showed that each establishment was really indispensable to a majority of Europeans residing in the vicinity.

As regards establishments already in existence, it has until recently been found impossible to place complete reliance on the statistics hitherto furnished. A year's inspection and control have resulted in the discovery of many small shops which had not previously been recognized. Consequently, the apparent decrease is not so great as would have been supposed—a reduction of 100 licensed and 178 unlicensed being all that the figures show.

Arrangements have been made with the Railway Department to prohibit drinking shops, under the name of buffets, at any except the important stations, and, as the contract of each falls in, it will not be renewed unless the importance of the station renders the existence of a buffet indispensable.

It must not be forgotten that the existing law does not deal with the sale of drink by bottle or case, so that the petty grocers and shopkeepers who sell wine and spirits under these conditions entirely escape control.

Amongst the labouring classes in the villages there appears to be little or no drinking. People who live in the provinces rarely see a drunken man.

In the provincial towns, however, there is a certain amount of intoxication, though still, happily, not much. It has become the fashion of late years for the wealthier land-owners and notables to keep a supply of wine and spirits in their houses, mainly, I believe, for purposes of entertainment.

In Alexandria, Port Saïd, Suez, and, in a lesser degree, in the provincial towns, some of the lowest class, especially those who are constantly in touch with Europeans, undoubtedly drink, and drink so much that a certain stimulus is sometimes given to any criminal tendencies they may possess. Otherwise, it is difficult to trace much connection, up to the present time, between drink and crime in Egypt.

Mr. Machell writes :—

"One of the greatest defects of the Capitulations is that, while we do our utmost to impede the retail sale of wine and spirits by the glass, we are powerless to prevent its being manufactured and sold by the barrel, and the absence of any law controlling grocers' shops, enables these wines and spirits to be freely sold by the bottle. In the meantime, by our vigorous action in limiting the number of licensed bars, we are removing a certain amount of temptation, and are affording strong moral support to the vast majority of respectable Moslems, who deplore the backsliding of their weaker brethren."

68. Hashish.

There can be no doubt of the harm done to the health of the Egyptian population by the use of hashish. Moreover, in spite of all the efforts of the police, the number of those who consume this drug has, I fear, not sensibly diminished. It is true that the admissions into the Cairo Lunatic Asylum of persons suffering from insanity due to hashish have been steadily diminishing of late years; but Dr. Warnock, the Director of the asylum, points out that, inasmuch as the accommodation is too limited to allow of the admission of any but the most serious cases, "the number of total admissions only represents a fraction of the total number of cases which occur."

It may, perhaps, be as well that I should dwell at some little length on the difficulties encountered by the police in dealing with this subject. They are highly illustrative of the régime of the Capitulations.

The revised law on public establishments, to which I alluded in my Report of last year, has made it somewhat more difficult for the tenants of those establishments, which are permanently closed by order of a Law Court, to put forward others as nominal holders, and thus frustrate the ends of justice. But it is found that now, when the owner of a licensed establishment is sentenced to close for permitting hashish smoking, he either opens an unlicensed den or opens another establishment in the name of a foreign subject. The advantage in the latter case is, first, that the police encounter increased difficulty in raiding the establishment, and, secondly, that the delay before a final order to close can be obtained is often very great. When appeals are made, as is generally the case, a period of from three to six months often elapses before the final order to close is obtained; and even when the order is obtained, it is often impossible to execute it effectively. I give a typical case.

A certain café at Alexandria belonged to a local subject. On his death, it was taken over by a French subject, against whom the police instituted proceedings. On the 15th May, 1905, the proprietor was fined £ E. 1 and costs, and ordered to close his establishment. It was at once reopened by an Italian subject, as an unlicensed den. In his turn, the new proprietor was fined £ E. 1, sentenced to three days' imprisonment, and ordered to close the establishment on the 9th October, 1905. It was at once reopened as an unlicensed den by another Italian, who on the 11th December, was ordered to close, and condemned to a fine of £ E. 1, with costs, and to seven days' imprisonment. In the meantime, the place had been transferred to a French subject, who, on the 18th December, was ordered to close, and was sentenced to a fine of £ E. 2 and costs, with fourteen days' imprisonment.

The proprietors of these foreign dens and cafés resort to many devices in order to evade the law. They frequently engage a lawyer, who tries to have the case postponed from one sitting of the Court to another, on the ground that his client is ill. When the proprietor eventually appears before the Court, his lawyer obtains another delay, in order to produce witnesses for the defence. When the case is finally heard, and the establishment is ordered to be closed, an appeal is made, and several months may elapse before the case is finally heard. When a final sentence has been pronounced, and the officer of the Court goes to close the establishment, he finds that it has been opened by another person; and the whole procedure has to be gone through again.

Some foreign subjects make a trade of lending their names to the real owners of hashish dens and cafés. They often have a board placed outside with the name of the owner inscribed on it, followed by the words ". . . . subject." Sometimes the national flag is painted on the board, or a real flag is displayed.

The penalties inflicted in hashish cases, both by the Native Courts and the Mixed Tribunals, are fairly heavy; but the trade is so lucrative, that it is not easy to deter offenders. Whilst they are undergoing some short term of imprisonment, their business is carried on by a succession of servants. They pay the small fines which are inflicted, and, on getting out of prison, resume their old business. Moreover, it is to be remembered that the keepers of these dens offer substantial bribes to the policeman on duty, and it is very difficult for the officers to prevent these bribes from being accepted.

In the provinces, notwithstanding the strong desire on the part of the authorities to stop the consumption of hashish, and the fact that the vendors of the drug live in a state of perpetual warfare with the police, there seems to be no indication of a decrease in the consumption.

The whole of the hashish consumed in Egypt comes from Greece. It is extremely difficult to stop the contraband trade. The ships engaged in it are perfectly well known, but they resort to every kind of device to elude the vigilance of the coastguard. Moreover, although seizures are fairly frequent, it is often very difficult to prove the guilt of the captain and crew. Every sack of hashish is weighted with a sufficient amount of pig-iron to sink it. If the smugglers are too hardly pressed, they throw the sacks overboard, often, if the locality be favourable, marking the place by attaching a small buoy, consisting of a piece of cork or wood, to each sack. When a favourable opportunity occurs, the hashish is then recovered. Further, a very large amount of smuggling takes place in the Suez Canal, where the same practice is pursued.

Negotiations are now proceeding with the Greek Government, in connection with the renewal of the Commercial Convention which expires on the 31st March, with a view to taking steps to stop the introduction of hashish. I cannot at present (17th January) state whether these negotiations are, or are not, likely to lead to a satisfactory result.

69. Public Gambling.

Practically all the gambling establishments are kept by Greek subjects. The Commandant of the Cairo police reports as follows:—

"Owing to the frequent raids which are made on the hells by the police, accompanied by a Janissary of the Greek Consulate, some of the keepers of these establishments, finding themselves paralysed and losing money, have invented a fresh trick so as to nullify the police efforts; they have set aside, in that part of the house inhabited by their families, a second room to which they and their clients retire and gamble. When the arrival of the police is notified, they absolutely refuse to obey any summons to open the doors of communication, and the Janissaries of the Greek Consulate refuse to aid in this matter, saying that they are private apartments, and they cannot do so without orders from their Chiefs."

It is very much to be hoped that it will be possible to make arrangements with the Greek Government which will prevent these scandalous evasions of the law.

70. Lotteries.

The existence of public lotteries was for long a grave scandal in Egypt. The individuals who were engaged in the sale of the tickets usually averred that their object was to benefit some charitable society. As a matter of fact, they almost always realized considerable profits themselves. Their operations were not in any way controlled by the police. They were generally foreign subjects, who, under the protection afforded by the Capitulations, carried on a business which in many other countries is absolutely forbidden.

A law has now been passed, and has been approved by the General Assembly of the Mixed Courts, which forbids all lotteries and "sale of chances," except lotteries in aid of genuine charities, duly approved in each case by the Government, and foreign lotteries authorized and controlled by the laws of their respective countries.

71. Trade in Arms and Ammunition.

In the course of last year, a law was issued dealing with the trade in arms and ammunition. Unfortunately, it is not possible to impose any check upon the acquisition

of, or the carrying of, arms by foreign subjects. Merchants, however, are bound to keep a register in which they record all arms and ammunition received, and another in which sales are recorded, with the names of the purchasers. The police is thus enabled to form some idea of what becomes of the arms when they are sold, and can guard against any transactions on a large scale; but foreign subjects can still buy and carry arms freely. The only check on Europeans is that the law forbids the transport of arms in any quantity, in excess of what is required for personal use, without permission. It is eminently undesirable to allow low-class Europeans to ostentatiously carry arms; by doing so, they may at any moment cause a serious disturbance. This was recently seen at Alexandria.

This is eminently a case where the absence of any workable legislative system in Egypt produces great inconvenience. It must be borne in mind that any law applicable to Europeans, which has received the assent of the Mixed Courts, cannot carry a penalty of more than £ E. 1 fine, or seven days' imprisonment. In the case under consideration this penalty is altogether insufficient to insure obedience to the law.

72. The Pilgrimage.

From 1890 to 1904, the average yearly number of pilgrims to Mecca was 5,716. In 1903–04, the number rose to 10,316. In 1904–05, no less than 14,366 pilgrims went from Egypt—a number which is the highest on record.

The experiment of offering facilities for Egyptian pilgrims to accompany the Mahmal (Sacred Carpet) and to enjoy the protection of the escort was first made in 1902–03. In 1903–04, 693 pilgrims availed themselves of the privilege. In 1904–05, the number rose to 1,506. I am at present (5th January) unable to say how many pilgrims will accompany the Mahmal this year.

It was found that the charges made by the Government were somewhat too low. A deficit amounting to nearly £ E. 3,000, which had to be paid by the Treasury, was incurred The rates have now been readjusted and slightly raised.

Last year, a collision took place between some soldiers of the escort and some Bedouins on the return journey between Medina and Yambo, in the course of which 4 soldiers and 3 pilgrims were killed, and 22 soldiers and 14 pilgrims wounded. Heretofore, the constitution of the escort has not been satisfactory. It had become the custom to regard the duty of accompanying the Mahmal in the light of a reward. Officers and men had got into the habit of taking their families with them. Moreover, the officers were taken from the half-pay list and from other sources. Thus, discipline was inadequately maintained. It has now been decided to raise the strength of the escort from 200 to 400 men, including some cavalry and a detachment of artillery, with two Krupp guns and a Maxim. The escort has been furnished by the regular army. A wing of one of the battalions stationed at Cairo, with its officers complete has been sent.

Every endeavour is being made to ensure the pilgrims' coming to Suez in rotation, instead of all trying to embark at the same moment.* It has not, however, been thought desirable to require each pilgrim to book his passage by a certain steamer, owing to the strong prejudice which exists on the part of the pilgrims in favour of leaving their villages when it suits them, and trusting to Providence to provide a ship.

Considerable sums of money have been spent in the construction of barracks and hospitals at Tor.

Notwithstanding the improvements effected of late years in the interests of the pilgrims, the hardships which they have to undergo are still considerable. This is principally owing to the disturbed condition of the Hedjaz. I may add, that the more interest the Government evinces in the welfare of the pilgrims, the greater, in the first instance, is the suspicion aroused that it is intended to exercise some undue interference with this religious duty. But as the benefits of each measure are appreciated and assimilated, opposition invariably disappears.

* Since writing the above, I have learnt that these endeavours have not been very successful. The pilgrims evidently dislike keeping to fixed dates.

73. The Wakfs Administration.

The accounts of this Administration for the past year are not yet closed, but the results will be approximately as follows :—

	£ E.
Revenue	343,000
Expenditure	260,000
Surplus	83,000

The surplus is about £ E. 47,000 in excess of the Estimates. At the close of last year, about £ E. 79,000 stood to the credit of the Reserve Fund.

During the last nine years, the aggregate surplus of the Wakfs Administration has amounted to no less than £ E. 472,000. This Administration has, in fact, benefited by the general rise in the prosperity of the country. But, although there have been some minor improvements of late years, the Administration is still very defective, and gives rise to numerous and legitimate complaints. My belief is that the only reform which would be really satisfactory would be to place the administration of the Wakfs under a responsible Minister, who would form one of the Council of Ministers, and thus enable the same control to be exercised over this Department as over all others. At present, the Wakfs are administered by a Director-General, who acts, to a great extent, independently of the Council of Ministers.

74. The Alexandria Municipality.

The receipts of the Alexandria Municipality in 1905 amounted to £ E. 232,000, and the expenses to £ E. 180,000; thus leaving a surplus of £ E. 52,000, which has been passed to the Special Budget account of 1906 for capital expenditure. About £ E. 31,000 of this surplus represents the profit on the sale of Government land.

Various administrative reforms of importance have been executed by the Municipality during the past year, but it is unnecessary that I should describe them in detail.

The filters erected on the Jewell system were completed last July, and the town is now supplied with excellent water. A contract has been signed for the supply of the pipes to carry filtered water to Ramleh, and it is hoped that this work will be commenced very shortly.

The new quay is practically completed. The road has been laid, though not yet properly metalled; and the temporary drains in the town now all run into the main collector. Many adverse opinions as to the utility of this collector were at one time advanced, and it was held by many persons, who could speak with authority, that it would fail to carry out its object. The results so far appear to have been satisfactory; but it is still too early to express a very definite opinion. All that can be said is that the existing drains in the town, as well as the water from the washing of the filters, have been discharging into the main collector for nearly six months, and that so far as can be seen all is going well.

75. Municipalities and Local Commissions.

In dealing with the Estimates for the current year, I stated that, in the absence of any general system of local taxation, improvements in the various provincial towns of Egypt must necessarily progress slowly. Nevertheless, even with the limited resources which are now available, some considerable progress has been made.

Some years ago the inhabitants of two towns, namely, Mansourah and Fayoum, established Municipalities and submitted to voluntary taxes, the proceeds of which are devoted to local objects. The same system has now been applied at Tantah and Zagazig. It is estimated that in Mansourah, Fayoum, and Tantah the yield of the taxes during the current year will be about £ E. 39,000. At Zagazig the elections for the Municipality have as I write (4th February) only very recently taken place.

In twenty-five other towns Local Commissions exist. In these towns, no taxes are raised. The only funds of which the Commissions dispose are the contributions of the Government. These contributions have recently been increased by £ E. 12,000, bringing

up the total for the Municipalities, and for the towns where Local Commissions, exist to about £ E. 67,000. In all, what with the proceeds of taxation, the Government contributions, and some few economies realized in past years, about £ E. 110,000 will be spent during 1906 in the towns where either Municipalities or Local Commissions exist. In addition to these sums, the Government occasionally makes special grants. Thus, in 1905, £ E. 5,000 was granted for the purpose of effecting an experimental installation of Mansfield gas at Damanhour; £ E. 1,800 was allowed for the repair of the road at Suez leading from the town to the docks; and £ E. 2,000 was granted for the expropriation of certain buildings on the river front at Luxor, in order to make a broad carriage drive and promenade along the banks of the Nile.

I deal with the important question of water supply in another portion of this Report.*

76. The Recruiting Service.

The following recruiting statistics are of some interest:—

From the 1st January to 31st October, 1905, 73,613 conscripts were presented to the Recruiting Commissions for ballotage. Of these, 11,692, or about 16 per cent., were exempted for family reasons; 7,795, or 11 per cent., for physical defects; and 1,777, or rather more than 2 per cent., on account of their being Fikis, or religious students; 6,357, or about 9 per cent., paid the "Badalia"—that is to say, the sum paid in order to be exempted from the ballotage. Thus, 45,982, or about 62 per cent., were left for ballotage.

The number of conscripts called up for service, from the ballotage of 1901, was 47,944. Of these, no less than 24,986, or 52 per cent., were rejected, on medical examination, as unfit for service. There were 14,614, or 30 per cent., of absentees; 2,334, or about 5 per cent., were enlisted; and 6,010, or 13 per cent., were "placed under call."

There can be no doubt that the recruiting law requires revision. I hope that in the course of the present spring or summer it will be found possible to go thoroughly into the matter. In the meanwhile, one very distinct blot on the system heretofore existing has been removed.

There has always been a considerable difficulty in finding trained artisans and clerks for the army. Up to last July the practice had been to take men who knew a trade, or who could read or write, irrespective of their ballot number. This was not only unjust, but also extremely impolitic, for the general policy of the Government has been to encourage both general and technical instruction in every possible way; and, under the system I have described above, the man who knew a trade or who was not wholly illiterate was placed under a positive disadvantage. The system has now been wholly abolished. Men are taken for the army according to their ballot number, without reference to any special qualifications which they may possess.

I am informed that last July 90 artisans, of various kinds, were required for the army, and that out of a total of 8,344 men found fit for army service, only 34 were artisans.

The medical inspectors report that the people now quite understand that the knowledge of a trade will not, in future, in any way influence the chance of being taken for the colours. The new arrangements are, therefore, much appreciated.

As regards clerks, I may add that the difficulty will, I hope, disappear in a few years, as the younger generation—of whom a far larger proportion can read and write than is the case with the young men now arriving at maturity—grow up.

Schools for training artisans are being opened at Khartoum, which will be of use to the army, and will also enable many of the conscripts, when they return to their villages after completion of their service, to pursue some handicraft. The money for creating these schools will, therefore, be well laid out.

I have seen frequent criticisms in the local European press upon the system now in force in respect to payment for exemption from military service. That that system should be condemned by Europeans generally is very natural. I have on a previous occasion stated that the system appears to me to be a bad one. It has also been condemned by Sir Vincent Corbett. It would not be difficult to devise some plan which, at all events in European eyes, would be more equitable and less objectionable. Before making any radical change, however, it is desirable to ascertain, so far as is possible, what the Egyptians themselves think on the subject. I have been at much pains to

* See Chapter 82.

obtain information on this point. I have conversed, not merely with officials, members of the Legislative Council, and others in a high social position, but also with village Sheikhs and with a number of fellaheen whom I have met in the course of travelling about the country, and who were often quite ignorant of my personality. I have no doubt that what the Egyptians would most prefer is that they should neither pay exemption money nor be liable to military service. This is obviously impossible. But, as between the alternative plans of rendering every one liable to service and giving a fair chance to all, and that of enabling exemption to be purchased on payment of money, there is, so far as I have been able to ascertain, no difference of opinion. All prefer the present system. Under these circumstances, it would appear more than doubtful whether it is desirable to sacrifice a considerable amount of revenue in order to carry into execution a reform which, however theoretically justifiable, would, I feel convinced, be the very reverse of popular amongst those in whose special interests it would be undertaken.

During the last two or three years there have been a good many difficulties in connection with the recruiting of Bedouins. Ever since the days of Mehemet Ali, the Bedouins have been exempted from the obligation of military service. For many reasons it would be extremely undesirable to take away from them their privilege in this respect, which they prize very highly. A practical difficulty, however, has arisen in deciding who is and who is not a Bedouin. A census of the Bedouins was made more than half a century ago, but it was originally very imperfect, and is now of little use, because large numbers of Bedouins and their families have come into Egypt since it was made. Moreover, some of the records of this census appear to have been destroyed. Under these circumstances, it was decided, after some lengthy discussions, to accept the certificates of the Omdehs and Sheikhs on the subject of Bedouin origin. There is, however, now reason to suppose that some of these Omdehs and Sheikhs are giving certificates to persons who have no right to receive them, and, in fact, are making a somewhat lucrative trade by the delivery of certificates. The matter, which is one of some difficulty, is now (15th January) under consideration.

77. Inspection of Steam Engines.

The work of inspecting and licensing steam-engines was carried on satisfactorily during the past year. The total number of engines used for industrial purposes now working in Egypt with licences is 2,080. Independently of these, 92 licences were granted for irrigation engines during the past year.

I alluded in my last Annual Report (p. 43) to the fact that complaints had been made that the Native Courts were extremely slow in trying cases of offences against the law regulating the use of steam-engines. Sometimes a year or more was taken before a judgment was given. I am glad, therefore, to be able to quote the following extract from a report of Mahomed Pasha Anis, who very ably directs this service :—

"I am glad to say," he writes, "that the Native Courts have given us great satisfaction this year; for not only the 38 cases that were remaining for trial from last year, but also nearly all the cases submitted this year, have been tried; and I may say that all have been decided in our favour."

For the first time on record, no cases of boiler explosions occurred during the year.

78. Prevention of Cruelty to Animals.

The Societies for the Prevention of Cruelty to Animals, at Cairo and Alexandria, continue to perform their useful work. By degrees, branch Societies are being extended to the provincial towns. I must refer those who are interested in the details of this subject to the special Reports of each Society. Here I can only find space for one extract from the Report made by Mr. Rumbold, the Secretary of the Cairo Society, as it deals with an evil of the existence of which there can be no doubt whatever. I allude to the under-feeding of animals, owing to the great rise in the price of forage and to the fact that cab-drivers are very often not paid their proper fare. Mr. Rumbold says :—

"The reason for the poor condition of the cab-horses is to be found in the unusually high price of forage in relation to the very moderate cab tariff. This tariff was fixed at a time when forage was cheap. Owners of cab-horses will continue to appropriate the same margin of profit at the expense of the money available for feeding their animals.

The price of forage increases, but only the same amount of money is spent on feeding the horses. If, in addition to the reasons given above, it is borne in mind that there is a considerable class, not by any means confined to natives, who systematically under-pay the cab-drivers, it is not a matter for surprise that the cab-horses should appear half-starved. It is to be regretted that the practice of paying even less than the fare is occasionally followed by Englishmen and other Europeans of the higher class, who might be expected to know better."

VIII. PUBLIC HEALTH.

79. The Government Hospitals.

The number of in-patients treated in the Government hospitals during 1905 was 29,237, against 27,921 in 1904; 125,128 out-patients were treated in the hospitals and dispensaries.

About £ E. 25,000 has been provided in the Estimates for the current year for the construction of new, or for the improvement of old, hospitals. Amongst these, I may mention that £ E. 9,000 is to be spent on building a hospital for contagious diseases at Alexandria.

80. The Foundling Hospital.

The mortality amongst the children admitted into the Foundling Hospital at Cairo during the past year was very high. Out of a total of 76 children admitted, no less than 64 died. "The reason for this high mortality," Sir Horace Pinching writes, "is the terrible condition in which the majority of the children are received, and the fact that many of them are premature children."

81. Lunatic Asylum.

Owing to the want of accommodation in the Abbassieh Lunatic Asylum, it is still necessary both to overcrowd the building and to discharge patients who are not yet cured. Some improvement is, however, shortly to be expected. New sections, to contain 120 extra beds, were commenced in the Egyptian Hospital grounds, which adjoin the Asylum, during the past year; they will be opened for use during the current year. The Government Military Hospital will soon be vacated. When this happens, it is intended to remodel and repair the building, which will afford accommodation for 172 more lunatics. This increase will bring the total available accommodation of the Lunatic Asylum up to 812 beds. More than this is, however, required. As I stated in my last year's Report, it has been decided to construct another large Lunatic Asylum, which is to contain about 600 beds. It is estimated to cost about £ E. 107,000. A sufficient sum of money (£ E. 20,000) to make a commencement has been provided in the Estimates for the current year. A site of about 400 acres of land has been selected, in a very healthy position, near to Khanka, a village some 11 miles north of Abbassieh.

I should add that 25 acres of land adjoining the Abbassieh Asylum have recently been railed in, and will be incorporated into the grounds of the Asylum.

A new Lunacy Law has been drafted, but requires further consideration before it can be issued.

82. Water Supply of Towns.

During the early years of the British occupation, the financial embarrassments of the Egyptian Government were such that it was impossible to do much in the direction of sanitary reform. More recently, however, the water supply of towns, which is unquestionably the most urgent and important of all sanitary reforms, has been taken vigorously in hand. I have already stated that Alexandria is now well supplied with

water. Since last June, much of the water supplied daily to the town of Cairo has been pumped from the artesian wells sunk to the north of the town. More wells are in process of being sunk, and, when these are completed, the whole of the town will be supplied with pure water. Mansourah is also now well supplied with water. The cost of the works has been about £ E. 26,000. In the course of the current year, it is expected that the water-works at Damietta will be completed. A project is also being studied for supplying Ezbet-el-Borg, a town at the mouth of the Nile near Damietta, and Ras-el-Bar, opposite Ezbet-el-Borg, where some 3,000 or 4,000 visitors congregate during the summer season, with water direct from the Damietta works. Plans are also being prepared for water works at Zagazig, Menouf, Mehalla-el-Koubra, Zifteh, and Mit Ghamr, and it is expected that work will commence at these places in the course of the current year.

Sir Horace Pinching writes: "The work which has been carried out already, in the direction of affording a pure water supply to many of the provincial towns, has been greatly appreciated by the population, and it is astonishing to observe the number of petitions received at this Department from the inhabitants of many of the towns, begging the Government to undertake a water supply for their particular towns.

"The work undertaken for a pure supply of water to provincial towns is, in my opinion, the most important step taken up to the present by the Government in the direction of improving the general hygienic condition of the country."

On the other hand, I am told that prejudices against the use of well water still exist. It is stated that the women often think that it causes their hair to fall off.

83. Birkets (Stagnant Ponds).

The improvement of the water supply is not the only sanitary reform which is being taken in hand. For many years past, the sanitary authorities have dwelt upon the danger to public health caused by the stagnant pools of water (birkets) which lie in the vicinity of almost every Egyptian village. A sum of £ E. 5,000 has now been provided in the Estimates for the current year, with a view to making a commencement in the direction of filling up these pools. A selection has been made of some of the worst of the birkets in Lower Egypt, and work will be commenced very shortly.

84. Hygienic Institute.

Some very valuable bacteriological work has been performed during the past year at this Institute, which is under the very capable direction of Dr. Bitter, but the details are of a highly scientific character. I do not, therefore, give them in this Report.

85. Infectious Diseases.

3,979 cases of small-pox were reported throughout the country in 1905, against 4,219 cases in 1904; 3,013 cases of measles, against 6,396 in 1904; 256 cases of diphtheria, against 108 in 1904; 2,653 cases of typhus and typhoid fever, against 1,823 in 1904. Speaking of the health of the town of Cairo, Sir Horace Pinching states that 48 cases of small-pox occurred, "half of which were among Europeans, and were entirely due to the neglect of vaccination on the part of the poorer classes of Europeans."

As regards diphtheria he says:—

"The preventive inoculation of children who have been in contact with diphtheria cases with anti-diphtheritic serum, which gave such excellent results during 1904, was continued. Many parents, however, refused to allow their children to be inoculated, though, had they been subjected to this treatment, the lives of many of these unprotected children, who subsequently contracted the disease, might have been saved, and the spread of the infection checked."

The health statistics of the town of Cairo for 1905 show a marked improvement on those of 1904. In 1904, there were 100 deaths to 110 births. In 1905, the proportion was 100 deaths to 118 births.

86. Vaccination.

The Vaccine Institute continues to do excellent work. Sir Horace Pinching writes :—

"The results obtained by the lymph issued from this institution continue most satisfactory. Successful results have been obtained in 95 per cent. of primary vaccinations, and 81 per cent. of secondary vaccinations."

426,889 successful vaccinations were performed in Egypt during 1905, as compared to 408,981 in 1904.

87. Malaria.

I have alluded in former Reports to the very successful results obtained at Ismailia in combating malaria by the adoption of the system initiated by Major Ross. During the past year, the campaign against mosquitoes was commenced at Suez. The results have been distinctly satisfactory. The number of in-patients treated in the Government hospital during 1905 was 91, as compared to 118 in 1904; whilst the number of out-patients fell from 405 to 260. Dr. Cresswell reports: "This does not show the real benefit, great as it is. During the last few years, an intimate knowledge of the people has led me to estimate that in the Fagalla quarter, 25 per cent. of the inhabitants were infected; 75 per cent. in the Arbaeen, and 100 per cent. in the gardens. Also, one member of a family would come to the out-patients' department and take home quinine to the other sick members of the family; this year, they said there was no fever, so far as the town was concerned." In spite of this improvement, it will be necessary to drain the marshes near Suez, and adopt other remedial measures before the fever can be completely extirpated.

A campaign against mosquitoes is also being instituted at Port Saïd.

88. Ophthalmia.

The two travelling camps instituted with the money provided by the Cassel Trust continued their work during the past year. A very large number of cases were treated, but Dr. MacCallan reports that "the number of new cases treated represents but a fraction of those applying for treatment, but represents the maximum number that it was possible to treat satisfactorily with the staff at my disposal. A much larger number of women than of men were amongst the applicants for treatment. The proportion of children treated was about one-third of the total number. This high proportion was due to the fact that they were given a preference as to priority of treatment."

I expressed a hope in my Annual Report last year (p. 69) that the Government would be able to take this matter up, and to add to the funds which have been supplied by Sir Ernest Cassel's liberality. I am glad to say that this is about to be done. The policy which it has been decided to pursue is to maintain, for the present, the two travelling camps, and gradually to erect permanent hospitals in the principal towns of each Moudirieh. It is very desirable to provide permanent buildings, as the work can thus be carried on all the year round—which is impossible in tent hospitals—and under conditions more favourable both to patients and to surgeons. I had hoped to be able this year to report the establishment of two such permanent hospitals, but the very numerous calls on the Government for expenditure in other directions, and the expense involved in the construction of the hospitals, has rendered it, I regret to say, impossible for the moment to do more than deal with one. The Estimates provide £E. 3,000 for the purchase of land for an ophthalmic hospital and £E. 4,000 for construction.

When the extent to which eye diseases are prevalent in this country is considered, it may, perhaps, be thought almost hopeless to imagine that the extirpation of ophthalmia in Egypt is at all possible. Probably the disease can never be totally extirpated. But if, as I earnestly hope will be the case, the campaign now commenced is steadily continued for a quarter of a century, and if, as funds are available, more money is provided every year, I cannot doubt that an immense amount of good will be done. Only a year or two ago I was talking to a lady—the daughter of the celebrated Lady Duff Gordon—who, some forty years or more ago, had peculiar facilities for observing the condition of the people of this country. I asked her what was the change which struck her most. I was pleased, and also surprised, at her reply. She said, "The marked decrease in ophthalmia." If, in spite of the very slight efforts which have been

made to combat the disease, there has been so distinct an improvement of recent years as to strike a very competent observer, it would appear that there is certainly no ground for despair of the future, when the improved appliances, and the financial help which it is now possible to give, are brought into play. Dr. MacCallan says:—

"The scheme which has now been adopted will provide for a special ophthalmic hospital in each of the fourteen Moudirieh towns, and, with an amount of work going on in each of them proportionate to that done at the present time, about 30,000 new cases should be seen and 15,000 operations performed every year. An appreciable annual and progressive amelioration of the ophthalmic condition of the country may then be confidently anticipated."

89. The Plague.

During the past year, there were only 266 cases of plague throughout the whole of Egypt, of which 181 terminated fatally; as compared to 855 cases, with 501 deaths, in 1904. At the present moment (18th January) the country is entirely free from the disease, but it will very probably reappear in some of the towns later in the year.

The fact that the disease appears to persist in Alexandria to a greater extent than in any other town in Egypt is believed to be due to the fact that the drains of that town are infested with rats. Energetic measures are being taken to destroy them, but the difficulties to be encountered are considerable.

Sir Horace Pinching has drawn up some interesting statistics, showing the relative number of deaths in Alexandria from the plague epidemic which lasted from 1834 to 1843, as compared to those for the years 1899 to 1905. The number of deaths in the former period of ten years was 12,380. The number in the latter period of seven years was 647. The statistics of the earlier period are probably very imperfect. At the same time, they are sufficient to show the effect produced by the more stringent measures recently taken to check the disease, as compared to the methods adopted during the earlier of the two epidemics.

90. The Pharmacy Law.

This law has now been in force for a year. When first applied, it met with considerable opposition on the part of the profession in general, mainly owing to the fact that its provisions were not thoroughly understood. It was, however, soon ascertained that it pressed hardly on those pharmacies only which were conducted in an irregular manner, and the suppression of which was as much in the interest of respectable chemists as in that of the general public.

There are at present 258 licensed chemists in Egypt. During the past year, 285 inspections of shops have been made, 116 of which were in Cairo. The result of these inspections has been that 40 chemists' shops have been closed, some by order of the Law Courts and others by the proprietors themselves to obviate further proceedings against them.

The Inspectors have met with no opposition on the part of the proprietors. The Chief Inspector acknowledges the courteous manner in which he and his assistants have been received whilst carrying out their duties, as well as the general desire evinced by the respectable members of the profession to comply in every respect with the law.

The law of 1904 forbids unqualified dispensers to be in charge of chemists' shops. That unqualified men are being duly replaced by fully qualified chemists is proved by the fact that during 1905 the number of chemists authorized to practise their profession in Egypt increased by 75 per cent.

Very great care has to be exercised in granting authorizations to practise to persons presenting diplomas from foreign schools, as in three cases during the past year the diplomas were found to be forged, and another applicant was found to be in possession of the diploma of a person who had been dead for a number of years. In all cases where there has been cause for suspicion, the applicant has been questioned on matters relating to his profession before being allowed to practise.

The Chief Inspector reports that since the new law has been in force there has been a marked improvement in the chemists' shops throughout the country; that pharmacies without qualified chemists in charge are now almost unknown; that the purity and freshness of the drugs in the shops have much improved; and that the substitution of cheap imitations for new and expensive drugs has greatly diminished. In the early part of the year, test purchases of expensive drugs were made in sixteen shops; in seven instances, cheap substitutes were delivered in place of the genuine drugs. Legal proceedings were taken in each case.

A Manual of Instructions has been issued by the Sanitary Department as a guide to chemists as to the best manner in which to arrange their shops. This Manual, though unofficial and offered only as a recommendation, has been accepted and very generally followed.

The portions of the law relating to the control of the sale of poisons in the country has not met with the same degree of success. Under the old decree, there were 427 licensed dealers in poisons in Egypt. On the promulgation of the new decree, the old licences became null and void, and persons desiring to sell poisons had to apply for a new licence, which could only be granted under much more stringent conditions. Only 40 licences have been issued under the new law, so that it is reasonable to suppose that the illicit sale of poisons is still taking place on a considerable scale.

In the opinion of the Chief Inspector, the main reason why so few persons apply for the licence is to be found in the somewhat onerous conditions imposed on a trade, which does not bring in large returns. The applicant must be a person of respectability, able to read and write, and possessing a knowledge of the poisons, &c., which he desires to sell. He is also under an obligation to keep his registers in a regular manner, and to set apart special rooms in which to keep the poisons. With regard to the detection of persons carrying on the illicit sale of poisons, Article 27 of the decree gives the right to inspect drug shops in which the illicit sale of poisons is suspected; but as the sale usually takes place in shops which are not drug shops, and often in private houses, this right is of little practical value. The right of search under the Penal Code cannot be exercised, as the offence is only a contravention.

Before leaving this branch of the subject, I wish to remark that the reform of the Pharmacy Law has passed through precisely the same stage as almost every other reform with which I have been connected in Egypt. When any amendment in the law is proposed, all sorts of imaginary evils are conjured up in the minds of those interested as to the effect which it is likely to produce. Eventually, after much discussion, the law is passed. It is then found that the evils are non-existent, and that not only the public in general, but those who thought their interests most threatened, are benefited by the reform. My firm conviction is that exactly the same would happen if some reasonable alterations were introduced into the present régime of the Capitulations—that is to say, that in connection with each proposal the fears, which would certainly be in the first instance expressed, would be found to be imaginary, and that experience would prove that the reforms were most beneficial to all concerned. It is difficult to make Europeans in this country believe that, under present circumstances, they benefit much less by the régime of the Capitulations than they themselves imagine. I have not, however, the least doubt that such is the case, in so far, at all events, as all the law-abiding classes are concerned.

91. The Cattle Plague.

The total number of deaths reported from cattle plague since the disease broke out in 1903 is 147,437, of which 689 occurred during 1905.

During the past year, 408 cases were detected in the Alexandria quarantine parks amongst infected cattle, and 36 in the Port Saïd park; in addition to these, 170 cases were detected in the Cairo and 56 in the Alexandria slaughter-houses among imported cattle. Sir Horace Pinching writes:—

"So long as this trade in cattle from infected countries is carried on with Egypt, we shall always be exposed to infection."

Cattle plague ceased in August, and the restrictions with regard to it were removed on the 22nd November. All districts are still being carefully watched, and in all probability isolated outbreaks will be detected before the country becomes entirely free of the disease; but with the large amount of serum at the disposal of the Sanitary Department, no serious recrudescence of the disease is anticipated.

Under the auspices of Dr. Todd and his assistants, who have had some very hard and responsible work, 12½ tons of serum were produced and bottled ready for use. Arrangements have been made to cold-store all this serum, as, if not kept at a low temperature, it deteriorates.

The census of cattle, which was taken during 1905, shows an increase of 50,134 cattle and 62,437 buffaloes over the figures of 1904. It may, therefore, be hoped that the losses caused by the cattle plague will in a few years be completely replaced by country-bred cattle. The increase in the number is, without doubt, due to the measures taken during 1904 to prevent the slaughtering of country-bred cattle for food. Experience has shown that it is useless to hope to restock Egypt with foreign-bred cattle, as many

febrile complaints exist among cattle in Egypt, to which the local stock has become almost immune, whereas cattle imported from countries where these diseases are not prevalent almost immediately succumb to them, the diseases being transmitted from beast to beast by ticks.

92. Rabies.

There has been of late years rather an alarming increase in the number of cases of rabies in this country: 57 cases were reported in 1905, as compared to 44 cases in 1904; 766 persons were treated in the Anti-Rabic Institute, as compared to 437 in 1904; 17 deaths occurred from hydrophobia. A law was passed last June, which, it is hoped, will, to a certain extent, diminish the increase in this preventible disease. A large number of dogs have been destroyed. Sir Horace Pinching, however, writes:—

"Unless this matter is taken up very seriously by the Government, and the Regulations, &c., strictly applied for a considerable period of time to come, we may expect a very serious increase of rabies and hydrophobia in the country."

The Government has decided to take over the work connected with the Anti-Rabic Institute at Cairo, which has up to the present been carried on by the Italian Benevolent Society. Suitable buildings have been constructed, in close proximity to the laboratories of the Sanitary Department, and a competent bacteriologist has been selected to direct the Institute. As soon as the installation is completed, that is to say, very shortly, the Institute will be opened, and that of the Italian Benevolent Society will be closed.

I heartily endorse the following remarks made by Sir Horace Pinching:—

"Before taking over this important work from the Italian Benevolent Society, I should like to bring to your notice the very important services rendered to the country during the past years by the philanthropy of the Italian community in Cairo, in undertaking the maintenance and responsibility of an Anti-Rabic Institute. Formerly, a person bitten by an animal suffering from rabies in Egypt was obliged to be sent to Athens or Paris for treatment. Without doubt, the opportunity, which the Society has afforded to the poor, of being treated in this country, has been the means of saving a number of persons from hydrophobia. Great credit is also due to Dr. Tonin, the Director of this Institute, for the painstaking and conscientious manner in which he has carried on his work, from the time the Institute was opened, in February 1899, up to the present date."

IX. JUSTICE.

93. The Mixed Courts.

The very full Report recently published by Sir Malcolm McIlwraith relieves me from the necessity of doing more than alluding very briefly to the most important points connected with the administration of justice during the past year.

The Sub-Commission to which I alluded in my Report of last year (p. 47), and which was appointed to consider certain modifications proposed by the Egyptian Government in the law heretofore administered by the Mixed Tribunals, continued its sittings during 1905. A meeting of the Plenary Commission was also recently held. I am glad to be able to report that the result of these deliberations, though far from satisfactory, has not been wholly of a negative character. Though none of the proposals made by the Egyptian Government have as yet received the assent of the Powers, there appears good reason for hoping that certain necessary, though not very important, amendments in the law will be introduced. The Commission has, in fact, come to an agreement on the following five points, which have now been submitted to the formal assent of the Powers:—

1. Certain modifications in the Statute of Judicial Organization relating to criminal prosecutions.
2. Procedure in the Court of Appeal for the hearing of cases involving a decision of disputed points of law.
3. A modification of the Mixed Penal Code, concerning the method of calculating the duration of sentences of imprisonment.
4. Some modifications in the Law of Compositions to avoid bankruptcy ("Concordat Préventif").
5. A law of expropriation for purposes of public utility.

In commenting on these proceedings, Sir Malcolm McIlwraith remarks: "The only one of these laws which can be considered as of anything approaching to first-rate importance is the last, relating to expropriation*; and even this project has undergone such important modifications at the hands of the Sub-Commission, that grave fears are entertained lest its practical utility may have been materially impaired. Considering that the Sub-Commission has now sat uninterruptedly—save for the summer vacations—for two years, and held forty-three sittings, the above result cannot be considered as other than extremely meagre."

I mentioned last year that a proposal had been put forward which would enable the Ministry of Justice to take the initiative in proposing fresh legislation of a certain character. It was suggested that the Ministry should submit its proposals to the General Assembly of the Mixed Courts, who would consult the Tribunals of First Instance. The Egyptian Government would then be empowered to edict whatever measures had been approved by the Mixed Courts. A good many differences of opinion arose as to the best method of giving effect to this proposal, with the result that it has now—for the time being, at all events—been withdrawn. Personally, I may say that I never attached any very great importance to it. As I stated last year, it would have enabled some few minor defects in the existing law to have been remedied; but it would not have afforded any solution of the main difficulties connected with legislation in this country. It would still have been necessary to apply to all the Powers in order to pass any comprehensive measure involving an abrogation or modification of existing laws. Some far more decisive measures than that which has been recently under consideration is necessary to deal with the existing legislative requirements of Egypt.

I greatly regret to be obliged to report that the important question of unifying the offices for the registration of real rights in immovable property, as also that for regulating the system of registration of title ("livres fonciers") still remain undecided. I wholly agree with Sir Malcolm McIlwraith's remarks as to the great necessity which exists for settling these matters without delay. The reforms, which are now proposed by the Egyptian Government, are certainly quite as much in the interest of the foreign residents in Egypt as in that of the native Egyptians.

As regards legislation for gambling in "Futures" ("Marchés à terme"), Sir Malcolm McIlwraith remarks: "The labours of the Sub-Commission relating to this question are not yet terminated, and it is sufficient, therefore, to say that some progress has been made, and that there is every reason to hope that the problem may be at any rate partially solved in such a way as to improve the present state of things, without interfering with that freedom in business transactions on which the commercial world rightfully insists. It may be observed, while on this subject, that the jurisprudence of the Mixed Court of Appeal would appear to be now fixed in the sense of the draft law originally proposed by the Government, that is to say, in the sense of the validity of *all* 'Marchés à terme,' even when their object is merely the payment of differences."

94. The Native Courts.

The course which reform has followed as regards the administration of justice in Egypt is, I think, an admirable object-lesson on the undesirability of hastily adopting heroic remedies to meet evils which can only be cured by gradual processes. But a few years ago, the Egyptian Government was frequently urged to sweep away the whole system inaugurated shortly after the British occupation, and which was mainly based upon the French substantive law and procedure, and to adopt some other system in its place. Those who urged this radical treatment of the question did not, perhaps, sufficiently realize that, although the system was, indeed, by no means perfect, the main difficulties which had to be encountered in introducing improvement were inherent in the situation, and could not have been removed by a mere change of system. They arose from the character of the people, from the impossibility of at once creating a

* I may here repeat the remarks I made on this important subject in my Report for the year 1903 (p. 22): "In other countries a good deal has been heard of the necessity of obliging landlords to pay compensation to their tenants for any improvements which the latter may have effected at their own cost. Egypt, ever true to paradox, has managed to reverse this question. The Government, which, for the purpose of the present argument, may be considered to be in the position of landlord, is having to pay very heavily to its tenants for the privilege of constructing works from which the latter will reap enormous benefits. . . . In anticipation of the construction of the canals, the value of the land has risen everywhere, with the result that the Government has had to pay highly for the purchase of the necessary land."

competent judiciary, which would inspire confidence and respect, and, generally, from the circumstances which were the necessary accompaniment of a transitionary period from arbitrary government to a reign of law. It was very wisely decided to make no radical changes, but to remedy the defects which existed by gradually introducing such minor reforms as experience showed were calculated to adapt the system more fully to the requirements of the country. It cannot be doubted that, under the very competent guidance of Ibrahim Pasha Fuad and Sir Malcolm McIlwraith, who have for some years past, with great advantage to the country, presided at the Ministry of Justice, a very large measure of success has resulted from the adoption of this principle. Much, indeed, remains to be done, but it is unquestionable that great improvements have already been effected. I give two of the most recent examples in support of this statement.

One of the main defects of the system of justice, as it existed but a short time ago, was to be found in the complicated nature of the procedure, which led to great and unnecessary delays. In order to rectify this evil, it was decided about two years ago to create a class of Markaz (District) Magistrates, who could exercise jurisdiction in most cases of contravention, and in certain cases of misdemeanour. They were empowered to pass sentences of imprisonment up to one month and to impose fines up to £ E. 2. The prosecution before these Magistrates is conducted entirely by the police, without any intervention from the Parquet.

Sir Malcolm McIlwraith is now able to point with justifiable pride to the results attained by the adoption of this system. "It is now abundantly clear," he says, "that the system of Markaz Courts has been, in principle, a success."

Without entering into any detail, which is fully given in Sir Malcolm McIlwraith's Report, I may say that this view is confirmed by other competent authorities. Mr. Machell says that "the results of the Markaz Tribunals have been eminently satisfactory," and Mr. Monteith Smith, one of the Inspectors of the Interior, who has given special attention to this subject, writes: "Go where one may, and ask whom one will, the answer is the same; there is universal agreement that the Markaz Courts are a boon. The celerity of the decisions gives satisfaction to the complainant. Instead of cases lasting two or three months, the majority of petty cases are now disposed of by the Judge within fourteen days. If the complainants have cause for satisfaction, much more so have the witnesses. No longer compelled to travel to the Summary Court, perhaps to sit all day and then be told that the case has been adjourned for a fortnight, they now require only to go to the Markaz, with the practical certainty that they will be required to give their evidence within a couple of hours. As a rule, the Court begins at 8 or 9 o'clock, and is over by noon, or even earlier. The number of cases adjourned is now, I am pleased to say, very small; the general rule is that all cases set down for a particular date shall be disposed of on that day, and this general rule is strictly followed by the majority of the Judges."

I may add my personal testimony to that of these very competent authorities. I have questioned a very large number of people of all classes of society on this subject, and I have not heard a single dissentient voice. All agree in thinking that the establishment of these Tribunals has been a real boon to the people.

I turn to the consideration of another reform, which has recently been introduced. I allude to the abolition of the right of appeal in criminal cases and the establishment of Assize Courts whose decisions, save in respect to reference on points of law to the Court of Cassation, are final. The introduction of this reform met with strong opposition. This opposition is now practically silenced, for there can be no manner of doubt that the introduction of the Assize Courts has been as successful as that of the Markaz Tribunals. Under the old system, the average length of time which elapsed from the moment that a crime was committed until the case had been heard in First Instance and Appeal, was no less than 230 days. The average period now occupied by the Assize Courts is 71 days. It cannot be doubted that, though the dilatoriness which characterized the former proceedings has disappeared, the interests of justice have in no way suffered. Of 439 appeals from the Assize Courts' decision to the Court of Cassation, only three were successful. In two of these, the cases were sent to be retried by another Assize Court, and in the third, the Court of Cassation increased the penalty originally awarded.

Sir Malcolm McIlwraith quotes at length the opinions of two high authorities—one British, and one Egyptian—as to the results obtained under the new system, namely, Mr. Bond, the Vice-President of the Court of Appeal—to whose co-operation, as Sir Malcolm McIlwraith very truly says, the success of the scheme is very largely due—and

Mohamed Said Bey, a highly qualified Judge. I need here only give very brief extracts from the statements made by these two gentlemen. Mr. Bond says:

"It is, I think, the unanimous experience of the Judges who have taken part in working the Assize Courts that they form their opinion with more confidence, and a much greater sense of security, in hearing the witnesses and studying their demeanour, than under the old system of criminal appeal."

I felt convinced that this would be the case, and I confess that I was always astonished at the slight importance attached to this point by those who originally opposed the introduction of the Assize Courts. Mr. Bond then goes on to say:

"I think the Assize Courts have fully justified the hopes of those who advocated their establishment."

Mohamed Said Bey's testimony is very similar. He says:

"Nothing shows more clearly the efficiency and excellence of the new system than the absence of all criticisms upon the results obtained by its adoption, especially when it is remembered that, when the project was under consideration, it gave rise to much difference of opinion, and to fears as to the consequences which would be entailed from the point of view of justice."

So far, the system has only been applied in Lower Egypt. Encouraged by the results which have been already obtained, it will now be applied to Upper Egypt. Provision has been made in the Estimates for the current year for three Courts, sitting at four centres in Lower Egypt; and two Courts, sitting at three centres, in Upper Egypt.

Sir Malcolm McIlwraith very rightly draws attention to a defect, not of the system which has been adopted in respect to the Assize Courts, but to the manner of its application. Between the months of March and December 1905, the committing Magistrate (Juge de Renvoi) sent on 1,519 prisoners to the Assize Courts. Of these, 978 were convicted, 510 were acquitted, and 31 are classed as "Not convicted, for various reasons."* It appears, moreover, that 1,564 prisoners were brought by the Parquet before the Juge de Renvoi. Thus, with the exception of 45 prisoners, all those who were brought by the Parquet to the Juge de Renvoi were sent on by the latter authority to the Assize Courts. On these figures, Sir Malcolm McIlwraith remarks:

"It seems clear, from the various reports I have received, as well as from the statistics of acquittals, that the Parquet and committing Judges send up too many cases to the Assizes. This is, no doubt, a fault on the right side, and it would be obviously very undesirable that the Judges should go too far in the opposite direction; but it is none the less an important matter, to which I desire to draw the attention of the committing Magistrates, who should systematically decline to send forward any case in which they are quite convinced that there is not sufficient evidence upon which an Assize Court could convict. People should not be put in peril of their liberty on insufficient grounds."

I trust that these weighty remarks will receive due attention from the various authorities concerned.

Having dwelt upon the excellent results obtained by the reforms recently introduced under the auspices of Ibrahim Pasha Fuad and Sir Malcolm McIlwraith, I wish to add that it should in no degree be inferred that the system of justice is as yet in any degree perfect. Much, indeed, remains to be done before, in Sir Malcolm McIlwraith's words, "there can be any lull in the activity of the Ministry of Justice." I give the concluding passages of his Report, indicative of the directions which future reform will take:—

"Further revision of parts of the Penal Code and of the Code of Criminal Procedure are much required, and will be undertaken as opportunity admits. Civil procedure, also, is in urgent need of acceleration and simplification. The general composition of Courts calls for reconsideration, in the direction of reducing the number of Judges required, both in first instance and appeal. Notably, the question of the feasibility of two-Judge Courts for misdemeanour appeals, and that of materially extending the civil first instance competence of the Summary Judges merits examination.

"The gradual extension of the penal jurisdiction of Markaz Tribunals must also be considered in the near future; nor should the possibility of conferring some civil jurisdiction on them be lost sight of.

"In the way of procedure, some means must be sought for checking the present plethora of police prosecutions in petty cases—notably as regards trumpery charges of hurt or insult.

* These reasons were insanity, death, or absence of jurisdiction.

"As regards the Mehkemehs, even in default of greatly needed radical and organic changes, something may be done to improve matters in the way of regulating the execution of judgments, reorganizing the present conduct of work and distribution of Courts, and improving the calibre of the future personnel by the institution of the proposed training college for Cadis and Mehkemeh clerks. It may perhaps also prove possible to effect some modifications in the procedure in suits relating to Wakfs, which will give suitors greater guarantees of justice than they at present possess.

"The above is only a brief and incomplete outline of the more urgent improvements required in matters relating solely to native affairs. If there be included a certain number of legislative or administrative reforms affecting Europeans, constantly demanded by the public—such as a law of copyright, patents, and trade-marks, and some of which are, it may be hoped, imminent—such as the proposed reorganization of the Registry Offices under the direct control of the Ministry of Justice, it will be seen that the programme is quite sufficient to occupy the Department for some time to come."

The experience of the past justifies the belief that the Ministry of Justice will, in course of time, be able to deal as successfully with the various points enumerated by Sir Malcolm McIlwraith, as they have done with those which they have already treated.

95. Crime.

In my previous Reports I have alluded to the steady increase in past years of serious crime in Egypt. It is satisfactory, therefore, to know that, after making certain corrections necessary in order to establish an accurate comparison with past years, the number of crimes* in 1905 was 3,011, against 3,109 in 1904, that is to say, the statistics show a diminution of 98 cases.

On an analysis of the figures, it appears that, in 1905, 917 murders were attempted, of which 583 were successful; whilst in 1904, there were 941 murders attempted, of which 567 were successful. "We may say," the Procureur-Général states in his Report, "that, practically speaking, murder stands where it did in 1904. Much the same may be said of highway robbery and robbery with violence. Criminal forgery, indecent assaults, and miscellaneous crime have somewhat decreased. I regret to say that the crime of arson is still very common, and is, indeed, increasing. There were 440 cases in 1905, as compared with 354 cases in 1904. Most of the cases are very trifling; thus, 116 sakias were burnt, valued at £E. 3 each; 74 stacks of firewood, valued at P. T. 50 each. There were 28 cases of burning standing crops, valued at an average of £E. 6 each. In addition to these, however, the cases of burning shops and houses have increased from 36 in 1904 to 94 in 1905."

I annex to this Report (Inclosure 7) an interesting Memorandum, prepared by Mr. Machell, which throws much light both on the nature of the crimes usually committed in Egypt, and on the reasons which lead to their commission. It cannot be doubted that revenge for some personal injury is the chief cause.

96. Misdemeanours.

The number of misdemeanours ("délits") which are brought before the Egyptian Law Courts has been increasing in enormous proportions of late years. Since the institution of the Markaz Tribunals, this increase has been very notable. In 1904, there were 61,715 cases of misdemeanours. In 1905, the number of cases was 76,248. The increase in one year was, therefore, no less than 8,533. These figures—startling though they may at first sight appear—must not be regarded as the least real indication of an increase of crime, or even of lawlessness, on the part of the population in general. By far the greater number of cases are of the most trumpery description. All competent authorities are agreed in the opinion that the increase is due partly to the highly litigious character of the poor people of this country, and partly to the fact that justice has been brought to their doors, thus giving greater facilities than heretofore for recourse to the Law Courts. It is clear, as Mr. Corbet, the Procureur-Général, says in his report, "that the system is being abused, and that some method must be devised for checking the abuse." One of the most effective methods would probably be to throw the trouble and expense of prosecution in petty cases on the aggrieved party. Whether, however, this or some

* I use the word "crime" in the technical sense of the Egyptian Code. It answers pretty nearly to the English word "felony."

other remedy be adopted, it is clear, to quote again from Mr. Corbet's Report, that "some mean term must be discovered between the exceptional facility to aggrieved parties now afforded by a system of state prosecution carried beyond reasonable limits, and a policy which might give an incentive to crime by practically denying justice." The matter is now engaging the earnest attention of the Ministry of Justice.

Whilst on this subject, I may mention that the Egyptian Law Courts seem at present hardly to make sufficient use of the powers conferred on them to release "first offenders." I understand that in the course of last year only 57 persons were treated under the provisions of this new law. In England and Wales, no less than 54,388 persons were dealt with under the First Offenders Act in 1904. The Prison Commissioners complained that, even with this number, the law is not applied with sufficient frequency, and that the prisons are unnecessarily filled with persons who might very properly be set at freedom. I am, however, aware that, for various reasons, the principle of the First Offenders Act cannot be so fully applied in Egypt as in some European countries.

I would also add—although possibly this remark would more properly come under the head of "Crime" than "Misdemeanour"—that I trust that the severest sentences which the law admits will be imposed on habitual criminals, and that eventually it will be possible to adopt the excellent proposal frequently advocated by Coles Pasha, the Director-General of Prisons, to the effect that an adult reformatory should be instituted to deal with offenders of this class.

97. Juvenile Offenders.

But a short time ago, any one who went over an Egyptian prison could not fail to be struck with the extreme youth of many of the prisoners. This unsatisfactory state of things was largely due to the defective condition of the law. The Judges had to decide whether a juvenile brought before them had committed the offence of which he was accused with or without "discernement." In the former case, he was bound to sentence the offender to fine or imprisonment. He had no power to send him to a reformatory. More recently, a new law was passed giving the Judges a very much wider discretion than heretofore. A juvenile offender may now be sentenced to imprisonment, or he may be handed over to his parents or guardians on certain conditions, or—in the case of boys—he may be whipped, or he may be sent to a reformatory for a period of from two to five years.

A considerable improvement in the law having thus been effected, the next thing, manifestly, to do was to provide some special machinery for its effective application. The attention of the Ministry of Justice was drawn to a system now in force in America,* in certain parts of the United Kingdom, and in some of the British Colonies. It consists in establishing a system of "Children's Courts," or Courts reserved specially for juvenile offenders, and presided over by a special Judge. It is found by experience that when all cases of this description are tried regularly by the same Judge at a special sitting, at which he has ample time to go carefully into each individual case—no matter how trivial it may appear to be—he soon becomes a specialist in this class of business, and is able to devote an unusual amount of care and attention to it.

A "Children's Court" was, therefore, established in Cairo, and held its first sitting on the 6th April, 1905.† "The Judge selected for this delicate and responsible task," Sir Malcolm McIlwraith says, "was one of the most distinguished of our younger Magistrates (Abdel-Khalik Sarwat Bey), and he appears to have acquitted himself of the commission most creditably."

Sarwat Bey's very interesting Report is given in full by Sir Malcolm McIlwraith. I need not, therefore, reproduce it here. I commend it, however, very specially to the attention of those who take an interest in this important subject.

I understand, from what Sarwat Bey informs Sir Malcolm McIlwraith, that numerous cases of contravention have come before him of children who are not allowed by the Police Regulations to ply the trade of shoeblack, and, having done so, are prosecuted by the police. When admonished by the Judge, they very naturally retort that they are without parents or resources of any kind, that they know no other trade, and that

* It appears, from a recent Report, that, by the institution of a special Court for juvenile offenders in Chicago, the number of boys sent to gaol in that city has been reduced in two years from 1,705 to 20. Somewhat similar results have been obtained elsewhere, notably at New York and Glasgow.

† The system has now been extended to Alexandria.

they supposed it was better for them to try and earn their living in the only way they could rather than to beg or steal. Sir Malcolm McIlwraith adds:—

"Other similar examples could be given. Such circumstances are a direct incentive to crime, for the children know perfectly well they can only get into the reformatory—to which many of them entreat to be sent—by committing a comparatively grave offence."

Manifestly, Mr. Machell and his zealous assistants have much to do before they can instil into the minds of the ordinary Egyptian policemen that they should use a certain amount of discretion in the exercise of the powers which the law confers upon them. But there is no need to despair.

98. The Mehkemeh Sheraieh.

In my last Annual Report (p. 49) I said:—

"It is satisfactory to note that the more progressive sections of the Legislative Council and Assembly have so far gained the upper hand as to elicit from those bodies a distinct expression of opinion that the Mehkemehs require reform."

Full information is given in Sir Malcolm McIlwraith's Report for the past year of the steps which have so far been taken to carry out the wishes of the Legislature. A Committee of Ulemas has been sitting with a view to the codification of the principal provisions of the Sharia. They have taken Kadry Pasha's work on "Personal Status" as a basis for their recommendations. The Committee is also employed in revising the Regulations of the Mehkemehs, so as to insure the proper and prompt disposal of cases—points as to which complaints have been very numerous. The very important question of how the treatment of private Wakfs ("Ahli") should be separated from that of charitable Wakfs ("Khairi") is also under consideration, as also is that of the execution of judgments, in respect to which fresh regulations have already been drafted.

These proposed reforms, excellent though they are, should they eventually be carried into execution, will, however, be of little avail unless the personnel employed at the Mehkemeh Courts is improved. In connection with this subject I may mention that I was from time to time in communication with the late Baron Kallay, the Governor-General of Bosnia, on subjects of mutual interest. Through the courtesy of Baron Kallay and of his successor, I obtained full information about the training college for Kadis established by the Austro-Hungarian Government at Sarajevo, which, from all accounts, appears to have proved a decided success. This information was submitted to a very competent Committee, over which the late Grand Mufti presided, with a view to drawing up a somewhat similar scheme to meet Egyptian requirements. The Committee completed its labours last June. It submitted to the Government draft Regulations, which are now under the consideration of the Ministry of Justice. These Regulations provided for a course of education of a liberal character, and one which would not be confined to purely religious studies. The students, it is proposed, should receive instruction gratuitously, and also a certain monthly allowance, as at the El-Azhar University. It is suggested that the lecturers at the school should be Ulemas of the highest standing, but that the Government should have an effective control over the conduct of examinations. The diploma granted to those who had qualified for the position of Kadi, Mufti, or member of a Meglis, would be assimilated to that of the El-Azhar.

There can be little doubt that the adoption of a plan of this nature would be likely to produce excellent results; but I wish again to draw attention to the fact that, in all matters connected with the reform of the Mehkemehs and cognate subjects, the British advisers of the Egyptian Government are almost powerless to act effectively unless they not only receive the support of native public opinion, but also unless the more progressive members of the Moslem community take the initiative, and continue to urge the necessity for action. Sir Malcolm McIlwraith, in his recent Report, says, with great truth:—

"The Ministry of Justice is practically powerless to deal with all these Sharia questions, so long as leading unofficial Mohamedans, although ready enough to come to the Ministry with complaints about individual cases, and to endeavour to enlist its support in suits in which they are personally interested, make no effort to promote any general movement in favour of reform."

I entirely concur with the remarks made by Sir Malcolm McIlwraith as to the heavy blow inflicted on the cause of reforms of this character by the death of Sheikh

Mohamed Abdou. I have already, in a previous portion of this Report (Chapter 7), alluded to the services performed by that eminent individual. I would again express a hope that those who sympathized with his views will not be unduly discouraged at the loss which they have sustained, and that they will show due respect for his memory in the most fitting form which it could take, namely, in that of furthering the objects which he had so much at heart when alive.

Before quitting this subject, I wish to allude briefly to a point to which the Legislative Council recently drew the attention of the Government; it is that the personnel of the Mehkemehs is underpaid. I do not doubt that such is the case. Moreover, should the reforms which are so urgently required be introduced, the Government will be quite prepared to consider the question of making further money grants to raise the pay of the Kadis and other officials in the service of these Courts. At the same time, I wish to express my entire agreement with the following remarks contained in Sir Malcolm McIlwraith's Report:—

"I am strongly of opinion that a mere general increase in pay for the existing staff of Kadis and Mehkemeh personnel would not materially improve matters, and would not give the Government an adequate return for the investment."

The principle that redress of grievances must precede money grants is very sound, and has been found a most effective machine in the hands of reformers in other countries. It would appear to be singularly applicable to Egypt in so far as the special question now under discussion is concerned.

X. EDUCATION.

99. General Policy.

In 1881, the year before the British occupation, the revenue which the Government derived from school fees was only about £ E. 2,300. In 1890, it amounted to £ E. 17,000. Since that time, it has been steadily rising. The revenue in 1894 was £ E. 76,000, and the estimated revenue of 1905 is £ E. 90,000. A few students, as, for instance, those in the Training Colleges for Teachers and the Telegraph Class at the Boulac Technical School, are admitted free, but in the Primary and Secondary Schools belonging to the Government, as well as in the Professional Colleges, all the pupils now pay fees.

It should not on this account be inferred either that education is self-supporting, or that any single individual pupil provides all the money required for his instruction in a Government school. He only pays a small share of it. The parents of a pupil, who costs the State £ E. 78 a-year, contribute £ E. 15 towards his education. The balance of £ E. 63 is borne by the Egyptian tax-payers.

The policy which has been adopted by the Egyptian Government in respect to the point now under consideration, has been subjected to a good deal of criticism. It has even been insinuated that the British advisers of the Government, though they are not unwilling to teach the fellaheen to read and write, and to encourage industrial schools with a view to educating craftsmen, deliberately discourage anything approaching to higher education, as they are unwilling that any steps should be taken calculated to fit the Egyptians gradually to dispense with European assistance in the government of the country. Some seventy years ago Lord Macaulay dealt with a somewhat analogous argument. "Are we," he said, "to keep the people of India ignorant in order that we may keep them submissive?" He replied to this question with an indignant negative. "Governments," he said, "like men, may buy existence too dear. *Propter vitam vivendi perdere causas* is a despicable policy both in individuals and in States."* I can add nothing to what Lord Macaulay said in reply to this unworthy insinuation, which is belied by the facts, not only in Egypt, but in every country where the British flag flies or British influence is paramount.

Apart, however, from baseless criticisms of this sort, it is very possible that the educational policy pursued of late in Egypt is imperfectly understood by many unprejudiced observers. It is, therefore, desirable that I should explain it.

The policy of gradually suppressing free education and of concurrently raising the fees in the Government schools, which are above the Kuttab grade, finds its justification

* Speech in the House of Commons, July 10, 1833.

in the nature, the purpose, and the changed circumstances of the schools. It must be remembered that the whole system is exotic. It aims at providing an European course of education, intended to fit Egyptians for various branches of the public service and for professional careers. It owes its origin to the Europeanizing zeal of Mehemet Ali, and dates back to 1836. From the foundation of the schools to their suppression on the death of Mehemet Ali, not only was the education in them provided free, but the pupils were fed, clothed, boarded, and maintained at the cost of the State. It is a notorious fact that, in spite of the advantages which were offered, the schools were only recruited by the use of physical force. The system adopted by Mehemet Ali eventually led to a number of pupils being turned out from the schools far in excess of the opportunities which were offered for their employment. Abbas I, therefore, suppressed the schools. With the accession of Ismaïl Pasha, in 1863, the schools were re-established on much the same lines as before, but with the additional privilege that school attendance counted as pensionable service. There can be no doubt as to the reasons why Ismaïl adopted this policy. Yacoub Artin Pasha—than whom no higher authority on educational matters exists in Egypt—says :—

"The sole thought of the Chief of the State was to provide a number of functionaries who would be useful for administrative purposes."*

The first attempt to introduce school fees into the Government schools was made by Riaz Pasha, when he was Minister of Public Instruction in 1874, but for some years little progress was made. It is only recently that active steps have been taken to insist on the payment of fees. So long as the Civil Service and the higher needs of the country could only be provided by such artificial means as existed in the days of Mehemet Ali and Ismaïl, the policy adopted by those rulers was defensible. In so far, however, as the special needs of the Government can be met without the adoption of any such artificial means, the practice has lost its justification, and should be gradually abandoned.

The ultimate aim of the Government should be to bring the fees in all Europeanized schools approximately to the level of the cost of the education provided in those schools, and so set free the funds now expended on the schools of this class for the promotion of education of a more national character.

When the British occupied Egypt in 1882, they found in existence a system under which the whole of the State expenditure on education was devoted exclusively to supplying an European education to a small privileged class, drawn mainly from the wealthiest sections of the population. They set to work to modify the system. Since 1884, a sustained effort has been made to levy fees and to eliminate free attendance from the schools, but until recent years progress in this direction has been very slow. The development of the grant-in-aid scheme in favour of elementary vernacular education during the last eight years has been rendered possible mainly by the economies effected since June 1898 in the European system of schools through the increased revenue from school fees.

The elimination of free education and the gradual raising of the fees in the Government Europeanized schools must be regarded, therefore, not as a reactionary movement inimical to the true interests of the country, but as the abolition of a privilege, which has hitherto absorbed all the revenue available for education, with a view to the utilization of the funds thus liberated for educational purposes of a more truly national and popular character. In theory, free education in the Government schools was in the past reserved for the poor. In practice, through intrigue, social influence, and dishonesty, the bulk of the free places were secured by the rich and powerful classes and their protégés, whilst needy and meritorious pupils had to pay for their education. The moral effect of the policy was bad in the home as well as in the school. The sense of parental responsibility was weakened; parents sought to place their children in the schools with the avowed object of escaping from the obligations of their education and maintenance. The schools and colleges were filled with a strange medley of pupils, regardless of social status and intellectual fitness. Many of them attended the schools, not for the purposes of study, but as an easy mode of livelihood. The social danger was no less great. Not merely was there a risk that the experience which led to the closing of the schools by Abbas I might be repeated, but parents were tempted by the system to embark their children upon careers for which their means and equipment were inadequate and unsuitable. A disappointed and disaffected class of half-educated youths was thus being fostered by State encouragement.

This evil is not one that is peculiar to Egypt alone. M. Félix Martel, Inspector-

* "L'Instruction Publique en Égypte," p. 96.

General of the Ministry of Public Instruction in France, has drawn attention to it as regards France in the following cogent words, which are closely applicable to any artificial encouragement by State aid of the type of education given in the Egyptian Government Schools :—

"If by too theoretical an education, such as our masters are now giving nearly everywhere, we induce these children (most of whom are already inclined that way by the mistaken pride of their parents) on leaving school to swell the already overflowing ranks of writers, office clerks, and competitors for minor posts in Government offices, we shall have spent the money of the State upon a work not only useless but even dangerous, for with the millions thus improperly spent we shall have led away from productive occupations hundreds of youths who, under better guidance, would have been useful to themselves, to society, and to their country, and have made of them, in one word, *déclassés.*"*

In so far as an educational ladder is desirable to give pupils of exceptional brilliancy but of restricted means the chance of rising to the Professional Colleges from the Europeanized preparatory schools, such opportunities should be provided by the foundation of scholarships through private or local benevolence. The creation of such scholarships would be a much greater benefit to the meritorious poor than the indefinite multiplication of Europeanized Primary Schools. Artificial encouragement should not be offered to pupils to enter upon the primary stage of the European course unless they have a reasonable prospect of continuing at least to the secondary stage.

For these reasons, I have no manner of doubt that the policy of gradually reserving the resources of the State for the promotion of elementary vernacular education and industrial schools, and of making the Europeanized schools to a certain extent self-supporting, is perfectly sound in principle. Every effort should, indeed, be made—and, in fact, is at present made—to afford facilities for higher education, but it should not be given wholly at the cost of the general body of tax-payers.

I may conclude this portion of my remarks by giving a few figures showing the general results attained during the last fifteen years in the matter of educational progress. The following figures show the number of pupils in attendance at the schools under Government control in 1890 and 1905 respectively :—

	1890.	1905.
1. In Government Kuttabs†	1,961	7,410
2. „ Institutions for Training Teachers for Kuttabs	None	1,478
3. „ Higher Primary Schools	5,761	7,175
4. „ Technical Schools	393	561
5. „ Secondary Schools	734	1,345
6. „ Professional Colleges	382	743
Total	9,231	18,712

The annual State expenditure during the same period has grown from £ E. 104,000 to £ E. 235,000. An additional grant of £ E. 41,000 has been made for educational purposes in 1906, bringing the estimates for the year up to £ E. 276,000.

The advance of education in Egypt is thus proceeding, I venture to think, as rapidly as the circumstances of the country permit. Two obstacles stand in the way of more rapid progress. The first is a lack of trained teachers, a subject to which I shall recur at a later period of this Report. The second is the want of proper buildings. In spite of the very large sums of money which of late years have been spent on building schools, it cannot be doubted that the needs of the Department of Public Instruction are not nearly supplied. Mr. Dunlop in a recent note states as "a very moderate estimate" that "a sum of £ E. 400,000 is urgently required." I do not doubt the correctness of his figure, but even education must yield to the paramount necessity of maintaining financial equilibrium. Some while must, I fear, elapse before the Financial Department will be in a position to grant the whole of this sum. Moreover, even if it were granted, I very much doubt whether it would be possible, if proper supervision is to be exercised, to spend so large an amount of money very rapidly.

* Quoted by Sir E. Edward Buck, K.C.S.I., in his "Report on Practical and Technical Education" (Calcutta, 1901).

† This is, of course, exclusive of the pupils in private Kuttabs which are under Government inspection.

100. Higher Primary Education.

In spite of the recent increase in the fees, the number of pupils in attendance at the Primary Schools continues to increase. At the close of 1905, there were 6,815 pupils, as compared with 6,269 in 1900. With the exception of the Abbas School, where a special arrangement exists with the Railway Administration for the free admission of a certain number of the children of railway employés, all the boys are paying pupils.

At the examination for the Primary Education Certificate last year, 3,233 candidates presented themselves, as compared with 2,965 in 1904, and 1,753 in 1900. As I have explained on previous occasions, it is optional with the candidates to be examined in either English or French. Of the 3,233 candidates mentioned above, 3,063 offered English as their European language, and 170 French.

Of the total number examined, 36 per cent. were successful; of the failures 46 per cent. were in the foreign language. The average age of the successful candidates was 16 years. It is most satisfactory to be able to record that, of the 1,173 successful candidates, 745 are at present continuing their education in Secondary or Special Schools. Of the remainder, 229 have obtained employment in minor posts under the Government, 35 are in private employment, whilst 161 are at present unemployed.

101. Secondary Education.

Last year, 1,345 pupils were in attendance at the three Government Secondary Schools, as compared to 569 in the year 1900. The demand for admission was greater than on any previous occasion, and, in spite of every effort having been made to accommodate the large influx of pupils, it was found necessary to refuse admission to 50 applicants.

At the Secondary Education Certificate examination, 447 candidates presented themselves, as compared with 379 in 1904, and 272 in 1900. For the first time in the history of the examination, the number of candidates professing English (239) exceeded the number of those examined in French (208). 177 candidates, or 40 per cent. of the number examined, were successful, as compared with 68 successful candidates in 1900, who then formed 25 per cent. of the number presented. The average age of the successful candidates was nearly 19 years. Of the 177 successful candidates, 117 were Moslems and 60 Christians. It would appear, therefore, that 66 per cent. were Moslems—a slightly lower proportion than in 1904, when 68 per cent. of those who gained the certificate professed the faith of Islam. A similar decline is to be noted in the proportion of Moslems among the candidates successful at the Primary Certificate examination. In this case, of the 1,173 successful candidates only 717, or 61 per cent., were Moslems, as compared with 66 per cent. in 1904. These percentages cannot be deemed satisfactory when it is remembered that Moslems form 93 per cent. of the total population. I must again express an earnest hope that the Mohamedan community will bestir itself, and that in future years Moslem pupils will gain their proper proportion of successes in the Government examinations.

Of the 177 successful candidates, 137 are continuing their studies in the various professional Colleges, 38 are employed in the Government service, one is engaged in commercial enterprise, and one remains without employment. Nearly 40 per cent. of the successful candidates are qualifying for the legal, and nearly 20 per cent. for the medical, professions.

An important change in the organization of the Secondary Schools was initiated last year. Hitherto the Primary Education Certificate has been accepted as qualifying for minor posts in the Civil Service. The qualifications represented by this certificate were admittedly inadequate, but in the absence of a sufficient supply of candidates who had followed a secondary course of studies, the necessities of the various Government Departments made the acceptance of these qualifications inevitable. On the other hand, so long as the Primary Certificate maintained its status as a passport to Government employment, the Secondary Schools were naturally depleted. Pupils at the Primary Schools, who might otherwise have continued a course of secondary instruction, were tempted away by the prospect of securing immediately a permanent footing in the Government service.

To remedy this evil, it has been decided that, after the year 1909, the Primary Education Certificate will cease to qualify for all except certain specified posts of an inferior grade in the Government service. The secondary course of instruction has been extended from three to four years, and a "half-way house" has been established in the middle of the course. A public examination, replacing for practical purposes the Primary Certificate examination, and based upon the work prescribed for the first and second years of the secondary course, is to be initiated in 1907; and on the result of this examination, certificates qualifying for subordinate grades in the Civil Service will be issued. The candidates for Government employment, who previously terminated their studies at the primary stage, will thus in future be compelled to continue them at least to the "half-way house" in the secondary course. The superior qualifications thus exacted will be rewarded by fixing the initial salary for employés furnished with the Subordinate Service Certificate at £E. 6 a-month, as compared with £E. 4 a-month for those possessing only the Primary Education Certificate; but a maximum limit of salary will, as in the case of the latter qualification, probably be maintained in principle.

By the extension of the secondary course, an opportunity has been afforded for raising the standard represented by the Secondary Education Certificate. This certificate not merely serves for matriculation to the various professional Colleges, but is a passport to higher employment under the Government. Government employés who possess the Secondary Certificate will commence at a salary of £E. 8 a-month. Their advancement will be subject to no maximum limit.

It is hoped by this reorganization to create an adequate supply of better qualified candidates for Government service, and to raise the level of Secondary Education to a point at which the pupils will be able to derive full profit from the professional education provided in the Higher Colleges. The matter is still in an experimental stage, but, if development is not impeded by the difficulty of providing accommodation, the prospect for the future is more hopeful than at any previous period.

102. Private Schools.

I have already mentioned that last year 3,233 candidates presented themselves at the examination for the Primary Education Certificate. Of these, 1,561 had been educated at Government Schools. The remaining 1,672 came from private schools, or had received their education at their own homes. The number of private schools which presented candidates was 99, as compared with 92 in 1904, and 53 in 1900. Of these 99 schools, 50 are under Mohamedan management, 27 are directed by Copts, 21 are connected with missionary enterprise, and one is a Jewish school.

It is certain that the growth in the nuuber of private schools is so far satisfactory, that it affords evidence of an increasing desire on the part of the population to secure the advantages of education. But I must repeat* that it is a matter for regret that private endeavour is generally content to organize forms of instruction imitative of the Government system of schools, instead of attempting to meet the needs of the country in directions with which the Government is as yet unable to cope adequately. In the majority of these private schools, the instruction given is, and under existing circumstances must necessarily continue to be, of an inferior type. The reason is that even the Government encounters the most serious difficulties in providing an adequate number of efficiently trained teachers.† This scarcity of the trained element must necessarily be more severely felt in the case of the private schools. The Government Primary School system aims mainly at the provision of an European education, and the number of schools already established may be considered as amply sufficient for the requirements of the country in this particular branch of education. If the capital and energy expended on the private Europeanized schools could be diverted to educational effort on behalf of vernacular education, which is very backward, a great advantage would accrue to the country in general. I make these remarks because I am thoroughly convinced of their truth; but the desire for securing the advantages of an European education, irrespective of the career in life which the pupil will eventually follow, is so rooted in the minds of a large number of people in this country, that I am far from sanguine of any practical result being produced by the advice which I venture to tender.

* See my Report for the year 1904, p. 72.

† See further remarks on this subject under the head of "107. Training College for Teachers."

103. Kuttabs (Village Schools).

The question of elementary vernacular education entered upon a new phase last year. Until recently, all efforts to improve the Kuttabs (Village Schools) depended upon Government initiative. Private enterprise in education was directed exclusively to founding schools in which an European language was taught. Last year, however, Societies for the improvement of Kuttabs sprang up in no less than eleven different provinces. As a result of this movement, 758 new Kuttabs have already been built, 187 are in process of construction, and 366 others have been put into a state of repair. In addition to the work already accomplished, the various Societies collectively possess an unexpended balance of nearly £E. 14,000.

Such a clear indication of practical interest in the Kuttabs showed that the time had arrived for the Government to associate itself formally with local effort in the promotion of elementary vernacular education. It is now proposed to establish a Commission at the Department of Public Instruction, whose function it will be to control all matters relating to vernacular elementary education. Further, a Society for the extension of education of this type will be established in each province or governorate, under the presidency of the Moudir or Governor. The supreme control of the affairs of the Society in each province will be vested in a General Provincial Commission. Subordinate to this body, there will be in every Markaz a Markaz Committee, and in every village a Village Delegation.

I need hardly say that this movement is to be heartily welcomed, and those enlightened members of the Egyptian community who have been instrumental in instigating it may rely upon the sympathetic co-operation of the Egyptian Government and its British advisers. It is none the less desirable to indicate at the outset certain dangers which are inherent in the scheme, and against which it will be very necessary to guard.

In the first place, there is a risk that the movement may occasionally degenerate into a means of oppression. There is always a risk in this country that voluntary subscriptions, backed up by official authority, may lead to illegal exactions on the part of over-zealous or time-serving officials.

In the second place, there is a danger that the movement may be unduly dominated by those who are out of sympathy with the progressive policy of the Government, and that it may thus be used in the direction of reaction.

In the third place, there is, possibly, some danger that educational provision for non-Moslem children may be unduly neglected. Government aid must, therefore, be made dependent upon the condition that all native children, regardless of their religion, may obtain secular instruction in the aided schools.

In the fourth place, there is some risk that Kuttabs will be established without regard to the possibility of their permanent maintenance. It is not sufficient merely to build a school; it is also necessary that an adequate endowment should be provided for its maintenance.

I trust that these four points will be carefully borne in mind by those who are concerned in directing the movement.

I wish to add a few remarks on the subject of instruction in the Koran. Moslems very rightly and naturally attach the utmost importance to the continuance of this instruction. Is cannot be too clearly understood that neither the Egyptian Government nor any of its British advisers in any degree wish that it should be discontinued. All they contend for is that, whilst adequate attention is paid to religious instruction, the teaching in the Village Schools should not be wholly religious, and that some reasonable proportion of the time of the scholars should be devoted to such secular instruction as may fit them for their careers in after life. As, possibly, some misapprehension exists as to the course now pursued in those Kuttabs, which are under immediate Government control, I wish to explain that a scheme of practical instruction in the principles and religious history of Islam has been introduced into those schools, and an endeavour has been made generally to improve and vitalize the religious instruction. So far from religious teaching having in any degree suffered from the adoption of these measures, my firm conviction is that the very opposite is the case. If we take as a test facility for repeating the Koran by heart—a point to which the Moslem inhabitants of this country attach great importance—the following figures speak for themselves. At the last annual inspection of the Kuttabs, no less than 4,531 of the pupils were able to recite the whole of the Koran from memory, 3,538 were able to recite more than three-quarters, 4,180 more than a half, and 6,212 more than a quarter. The remainder of the scholars, being

of very tender years, were at the spelling stage, or were learning the earlier chapters of the Koran. In the face of these facts, it is impossible to contend that under the Government time-table the teaching of the Koran is in any way neglected.

I give a few facts and figures illustrative of the great extension of vernacular education, which has taken place during the last few years. In 1900, 483 private Kuttabs were under Government inspection. Of these, 246 were awarded grants-in-aid, amounting to £ E. 2,138, from the Government. In 1905, the number of private Kuttabs under Government inspection had grown to 4,859. Of these, 2,565 received grants-in-aid amounting in the aggregate to £ E. 13,164. In 1900, the number of pupils in the Kuttabs under Government inspection was 12,315 (11,318 boys and 997 girls); 627 male and 7 female teachers were employed. In 1905, the total number of pupils had grown to 145,694* (136,083 boys and 9,611 girls); the number of teachers employed was 6,295 male and 32 female.

Steady progress is being made in the improvement of the teaching afforded at these schools, but the statistics still reveal a terrible state of stagnation in the initial stages of the course of instruction. Of the 145,000 pupils present at the last annual inspection, 94,000 were reported to have received no instruction in writing, 87,000 had not commenced to learn arithmetic, and 68,000 had not even begun to learn to read.

In addition to these 4,859 private Kuttabs, the Department of Public Instruction now has under its direct control 109 Kuttabs, affording instruction to 5,777 boys and 833 girls. The technical efficiency of these schools is in striking contrast to that of the Kuttabs which receive grants-in-aid and are under Government inspection, and in even more striking contrast to that of those who receive no grants-in-aid and are not inspected.

104. Female Education.

The remarkable and continuous progress of female education in Egypt marks very clearly the changes of custom and alteration of ideas which are taking place in the country. When the first efforts to promote female education were made, they met with little sympathy from the population in general. Parents sent their daughters to school reluctantly, and took them away early. In order to encourage the education of girls, it was necessary to admit a large number of free pupils. Most of these came from the poorer classes, and left early, either to be married or because it was thought unbecoming for a girl to attend school after she had passed the earliest years of childhood. The reluctance of parents to send their daughters to school has now been largely overcome. Free education in the Government Primary Schools has been practically abolished. Demands are frequently made for the establishment of other schools in different parts of the country. The number of private schools for girls has also greatly increased of late years. Further, it is to be observed that the steady output of boys from the Secondary Schools and Higher Colleges has indirectly stimulated the movement for female education, for the younger generation are beginning to demand that their wives should possess some qualifications other than those which can be secured in the seclusion of the harem. The interaction of the two branches of education does not stop here, for not only has the growth of education among boys stimulated the desire for instruction to girls, but it has also tended to improve the quality of the education given to the girls by prolonging the period of instruction. There appears good reason for supposing that, where education has made progress, the age of marriage has risen, and that, in consequence, the girls are allowed to remain longer than heretofore at school.

In 1900, the number of schools, including Kuttabs under Government inspection, which were attended by girls, was only 271, with an attendance of 2,050. The number of such schools has now risen to 2,053, and the number of pupils in attendance to 12,006. The attempt to create special Kuttabs for girls is only just commencing. They are much required. It is greatly to be hoped that the effort recently made by private individuals to promote vernacular education by founding, equipping, and endowing Kuttabs for boys, will extend to the question of organizing Kuttabs for girls.

* In connection with the remarks I have made under the head of "88. Ophthalmia," I may mention that of these children no less than 1,705 boys and 640 girls are reported as being totally blind.

105. Technical Education.

Egypt being essentially an agricultural country, agriculture must of necessity be its first care. Any education, technical or general, which tended to leave the fields untilled, or to lessen the fitness or disposition of the people for agricultural employment, would be a national evil. Nevertheless, there is a rapidly growing need for skilled labour of various kinds, and scope for the development of many useful industries. The population of the country is rapidly increasing, and although the area under cultivation is being steadily extended, it is probable that a growing proportion of the people must find employment in other occupations. Further, improved methods in agriculture, involving the use of machinery, are displacing ordinary agricultural labour. The steam pump is taking the place of the shadoof, or sakia, and the threshing machine that of the flail. To work the complicated agricultural machinery, which is gradually coming into extended use, and—what is more difficult, and not less important—to keep it in repair, trained machine hands are required. Cotton requires to be ginned and pressed, sugar cane to be crushed, paddy to be threshed and sorted, and wheat to be milled. All these operations require skilled labour. Agricultural roads have opened up routes for carts, hitherto, owing to the absence of roads, but little used in the rural districts; there is thus more work for the wheelwright and the blacksmith. Agricultural railways require for their successful development platelayers, moulders, mechanics, engine-drivers, carriage builders, painters, upholsterers, glaziers, &c. Moreover, the general rise in the level of material comfort, which has resulted from the increasing prosperity of the country, has created, even in the humblest households, a demand for objects superior, or supplementary, to the articles—few in number and primitive in quality—which formerly sufficed.

So active and progressive is the building trade that contractors find it impossible to secure an adequate supply of masons, plasterers, carpenters, &c. It cannot be doubted that, before long, much will be done in the direction of improved sanitation, involving the employment of a large number of plumbers; at present almost all the plumbing is done by Europeans. Electricity is coming into more extensive use; at present all the electric fitters are Europeans. Educational advance foreshadows more work for the printer and the bookbinder. It is also to be observed that the European population is rapidly increasing. Provision has to be made for its special wants. Moreover, native Egyptians, in their dress and customs, are to a great extent adopting European fashions, with the result that European demands are steadily increasing. At present, almost all these wants are supplied by Europeans. It is difficult to find a native cobbler who can sole and heel a pair of boots fairly well, although boots have now become almost an article of native wear. Boot-mending, as well as boot-making, are almost entirely in the hands of Greeks and Armenians. The European provision trade is practically monopolized by Greeks; the drapery trade by Jews, Syrians, and Europeans; the tailoring trade by Jews.

So far, the Egyptians have shown but little capacity to seize the new opportunities for profitable enterprise offered by these new developments. This is more especially to be regretted, owing to the fact that the industries, in which the natives themselves have for centuries found employment, appear to a great extent to be in process of extinction. I alluded to this subject in my last Annual Report (p. 74). I may here add that the tramway is supplanting the Egyptian donkey, and that with the latter is disappearing its saddle-maker and the maker of its trappings. With the disuse of stone floors, the trade of the straw mat maker is tending to become obsolete. Modern pumping apparatus is displacing the rough-hewn water-wheel. The native tanner, lacking technical knowledge and guidance, is being ousted by his more skilled European competitor. The textile industries—with the exception of silk, in which there has recently been some revival—are in a declining state. The products of native looms are being supplanted by the steam-woven fabrics of Europe, and with them the ancillary art of dyeing is decaying. I am informed that even indigo dyeing has practically ceased; the calico, out of which the dress of the fellah is made, being now imported ready-dyed by artificial indigo. The flowing robes of delicate shades and embroidered vests, fashioned by the native tailor, are being abandoned for the ready-made clothing of continental slop-shops. The manufacture of red slippers has sunk to insignificant proportions. Frequently the red slippers of the Sheikhs—the most conservative of all classes—are not slippers at all, but European-made boots, of which the lower portion is an imitation of the native pointed red slipper, and the uppers are cunningly formed of coloured web to imitate socks. The upholsterer, who could cover a divan to meet

the needs of the last generation, finds himself unequal to the new demand for Louis XV brocaded chairs and couches. In furniture, clothing, and all necessities, the upper classes are now supplied almost entirely with European goods, and the tendency is working downwards. In fact, administrative and municipal improvement, progress in its many phases, vicissitudes of taste, the adoption of Western modes of life and dress, the competition of the factory-made products of Europe, and the combination of lethargy and fatalism which lulls the native craftsman into acceptance of his declining lot, have together laid a heavy hand upon the primitive native arts. The difference must be apparent to any one whose recollection of Egypt goes back for some ten or fifteen years. Quarters that were formerly hives of busy workmen—spinning, weaving, braiding, tassle-making, dyeing, tent-making, embroidering, slipper-making, gold and silver working, spice crushing, copper-beating, water-skin making, saddle making, sieve making, wooden-bolt making, lock making, &c.—have shrunk to attenuated proportions, or have been entirely obliterated. Cafés and small stores retailing European wares are now to be found where productive workshops formerly existed.

Something is, without doubt, being done to arrest this decadence. There are at present 423 pupils at the Boulac Technical School, of whom 285 are Moslems. The students who pass out of this school have no difficulty whatever in finding employment. It it is proposed to transfer the school to new premises, and a Commission has been appointed to consider the lines on which it should be reorganized. A small Industrial School, with an attendance of 68 pupils, also exists at Mansourah. A section for the manufacture of agricultural implements has recently been added to this school. The model workshop at Cairo, under Johnson Pasha, to which I will allude more fully hereafter, is also rendering excellent service. Another similar workshop is about to be established at Assiout. But further efforts are required to meet the requirements of the times, and the Government must necessarily act as pioneer.

Mr. Dunlop, who has done so much for the cause of education in Egypt, thinks that a sustained endeavour should be made to organize and generalize the apprentice system. He suggests that the Casanova Institute at Naples may to some extent be taken as a model. This school was founded in 1864 by a Neapolitan gentleman, whose name it bears, with the object of providing moral and industrial education for the poorest section of the population. The Institute has now over 700 pupils, and although a monthly fee of 1 lira (10*d.*) is exacted, and although no payment is made to the pupils until they reach the age of 15 years, hundreds of applicants have to be refused admission. All the pupils are day boarders. They are admitted at the age of 8 years, and, during the first three years, they receive an ordinary elementary education, in which, however, drawing, "hand and eye" training, and physical exercises occupy a specially prominent place. At the age of 11 years, the literary instruction is almost completely dropped, and for the next five years—that is, until the age of 16—the pupils spend about ten hours each week at designing in the class-room, two hours at physical exercises, and thirty-five to forty hours in the workshop. The peculiarity of the system is that the workshops are occupied, not by salaried servants of the Institute, but by private craftsmen, working on ordinary commercial lines and on their own account. Efforts are made to secure as occupants only the most skilful craftsmen; the workshop has thus acquired and maintains a high reputation. It is open to the public, and is well patronized by customers. For the first three years of his workshop practice, the pupil receives no pay. The rate of remuneration thereafter is fixed by the Director, in agreement with the employer, and is paid over by the employer to the Director for deposit in the School Savings Bank. Such savings may only be withdrawn by the parent or guardian of the pupil.

It is difficult to say beforehand whether a scheme of this sort could be adapted to Egyptian requirements, but it is certainly worthy of consideration. Mr. Dunlop has been requested to go further into the matter, and, after consultation with other competent authorities, to submit detailed proposals to the Government.*

106. Model Workshops.

Johnson Pasha, the Director of the Model Workshop at Boulac, gives a satisfactory report of the progress of this institution during the past year. It has now been in existence for three years, and the end of 1906 will see the out-turn of the first students,

* I invite attention to the remarks made on this subject in my Soudan Report under the head of "38. Education."

who will then have completed a four years' course of training. The result of this important experiment will be watched with much interest.

The trades chiefly taught are metal work of all kinds, repairs to machinery and fitting, leather work, carpentry, cabinet making, and painting and decorating.

The reports from all the foremen-instructors are very hopeful, but, as Johnson Pasha himself says, we must await the results achieved by the first batch of students who leave the school. That will be the real test of the efficiency of the course of training.

The boys are grounded to some extent in theory as well as in practice. This is indispensable, as no one can become a skilled craftsman without a certain amount of theoretical training in his own particular line.

The net cost of the establishment last year was about £ E. 4,000.

Another Model Workship is being built at Assiout, and will soon be completed. It has been designed upon much the same lines as those of the Boulac shop, and will accommodate about the same number of pupils.

The Industrial School and Workshop, established at Abou Tigh by Mahmoud Suleiman Pasha, to which I have referred in previous reports, continues to render excellent service. I learn with very great satisfaction that the leading notables of Fayoum, and of several other of the larger provincial centres, are interesting themselves in the establishment of industrial schools by voluntary private subscription in their respective districts.

107. Training College for Teachers.

I have alluded in former Reports to the fact that a large proportion of the teachers in the Government schools are untrained. Only 40 per cent. of those in the Higher Primary Schools hold a teaching diploma. The leakage due to the pecuniary temptations of private schools, the demands of other departments, the unpopularity of the teaching profession, the rivalry of better-paid professions, and the elimination, through the suppression of free education, of the type of pupil who might probably become an elementary teacher, have all proved serious drawbacks to the cultivation of high ideals with regard to the training of teachers. The Department of Public Instruction has thus been compelled to make the best of such material as it can find, and to formulate schemes for training very imperfectly-educated individuals. It has been driven to institute Training Centres to supplement Training Colleges. In these Training Centres persons employed as teachers in the schools attend for instruction, not only in the theory and practice of their profession, but also in the very subjects which they are actually teaching in the schools. It is evident that this arrangement is far from satisfactory; but the Department of Public Instruction is justified in claiming credit for its attempt to make the best of existing circumstances, until the time arrives when all teachers in elementary schools shall have undergone a period of training, combined with adequate education, before they are authorized to teach.

The efforts of the Department have thus been directed into two channels. In the first place, they endeavour to give a complete training to students who have completed successfully a definite course of study. In the second place, they endeavour to give some training and education to persons who are engaged in teaching, but who have not undergone a course of training and education sufficient to fit them adequately for the work. The institutions illustrative of the former system are the Nasrieh Training College, the Sanieh Training College, the Boulac Normal School, the Abd-el-Aziz Normal School, and the Fayoum Normal School. As types of the latter system, the Department has instituted a Training Centre at Darb-el-Gamamiz, bi-weekly classes in Cairo and in the chief provincial towns, and monthly lectures to the Fikis and Arifs of the Government Kuttabs in Cairo. The former type represents the standard at which the Government aims. The latter type will, it is hoped, gradually disappear, but this result can certainly not be attained in the near future.

In all these various directions, some satisfactory progress has been made. The number of students at the Nasrieh Training College for male teachers of Arabic, and subjects taught in Arabic, continues to grow. There are now 210 students, as compared to 161 in 1904, 115 in 1903, and 97 in 1902. Last June, 16 students completed their course of studies, as compared to 10 in 1904, 8 in 1903, and 4 in 1902. Although, however, the output is increasing, the numbers who pass through the College are still far from adequate to meet the demand. Now that brighter prospects of pay and rank have been opened up to men of the sheikh class, it is to be hoped that the attendance will steadily increase.

At the Sanieh Training College for female teachers in Primary Schools, 18 students are at present in attendance, as compared with 15 in 1904. The 2 students who presented themselves at the diploma examination last June were successful.

The Boulac Normal School for female teachers in Kuttabs was attended by 39 students in 1905, as compared to 40 in 1904. The number might easily be increased if further accommodation were available. At the examination last August, 10 students qualified for the post of Fikiha (Head Teacher) and 3 for that of Arifa (Assistant Teacher). Of these, 12 are now employed in Government Kuttabs.

At the Abd-el-Aziz Normal School for male teachers in Kuttabs, 106 students were in attendance in 1905, as compared to 81 in 1904. At the examination held last August, 65 qualified as Fiki, and 9 as Arif. Of these, 62 are employed in various capacities.

The Fayoum Normal School for male teachers in Kuttabs was only instituted last year. It is now attended by 62 students.

The Training Centre at Darb-el-Gamamiz, which is in the second year of its existence, is now attended by 69 teachers, as against 55 in 1904. The great majority of these hold the Primary Education certificate. It is, moreover, satisfactory to be able to report that last year it was possible to form a class of 9 who held the Secondary Education certificate.

To improve the teaching in the Government Kuttabs, and in private Kuttabs under inspection, facilities for free attendance at classes twice a week have been provided in 3 schools in Cairo and in 27 centres in the provinces. 2,365 Fikis and Arifs are at present enrolled. At the professional examination for Fikis and Arifs held last August, 259 candidates were successful.

On the whole, it may be said that some real progress is being made, but much remains to be done before the training of teachers in Egypt is placed on a thoroughly satisfactory footing.

108. School of Agriculture.

I have alluded in former Reports to the large number of European students who attend this School. The number of Europeans is still considerable, but I am now glad to be able to report that the proportion of Egyptians has recently been increased. Out of 26 students who were admitted in 1904, only 12 were Egyptians, of whom but 6 had obtained the Primary Education certificate. In 1905, out of 23 new students, 18 were Egyptians, of whom 13 possessed the Primary Education certificate. There are now 70 students at the School, of whom 39 are Egyptians and 31 of other nationalities. I regret to be obliged to add that of the 39 Egyptians only 22 are Mohamedans.

Nine students passed the diploma examination in 1905. Of these, 1 is now employed by the School, 1 by the Khedivial Agricultural Society, 2 by the Domains Administration, 1 by the Kom-Ombo Company, and 2 by large land-owners. Another is at present negotiating for the lease of a farm of 1,200 acres.

Mr. Gibson, who acted as President of the Examination Board at the examination in June, reports that "satisfactory progress has been made, and, on the whole, the results are alike creditable to the School and to the pupils."

109. School of Engineering.

As a direct consequence of the recent decision to raise the pay of engineers on first entering the public service from £E. 8 to £E. 12 a-month, a new era of prosperity seems to have begun for this School. It is now attended by 57 students, as compared to 35 in 1904 and 23 in 1903. At the present rate of progress it may be hoped that in a few years the output of qualified engineers will be sufficient to meet the demands of the public service. Mr. Webb, who acted as President of the Examination Board last year, reports:—

"Now that the pay and prospects of the engineers in the Public Works Department have been very substantially improved, there will probably be little difficulty for the future in filling the School."

It is with very special pleasure that I report the marked increase which has taken place in the number of Mohamedans entering this School. In 1904, there were only 18 Mohamedans in the whole School, whereas of the 27 new students admitted last October, no less than 18 were Mohamedans.

The School is now installed in spacious new buildings, specially designed and built for the purpose, and fitted with machinery and apparatus of the best British and foreign manufacture.

110. School of Law.

During the past year there were 96 applications for admission into the School of Law, namely. 59 into the English and 37 into the French section. The total number of students in the School is now 273, as compared with 234 in 1904 and 185 in 1903.

A large proportion of the licentiates of the School of Law find ready employment under the Ministry of Justice. Others take up private practice, and, so far as can be ascertained, are able to make a good living in a remarkably short space of time, as compared with what would be possible in European countries. This is due partly to the general development and prosperity of the country, which have increased the amount of legal business, and partly, I do not doubt, to the confidence inspired in the public by the serious nature of the present course of studies pursued in the School of Law.*

111. School of Medicine.

During the past year, the number of students who joined the School of Medicine was 37, of whom 1 was a pharmaceutical student. The number who obtained their diplomas was 17. There are at present 116 students in the School, of whom 2 are attached to the pharmaceutical section.

As the result of some negotiations, in which Mr. Reginald Harrison took a leading part and materially assisted the cause of Egypt, it has been arranged that a delegate of the British Royal Colleges of Physicians and Surgeons should be present annually at the examinations held in Cairo, and that the students who pass those examinations when the delegate is present should enjoy the same advantage as if the corresponding examinations had been passed in London. The advantages of the new arrangement to Egyptian students of medicine will be very great, for amongst the people of this country there still exists a strong prejudice in favour of employing a medical man who holds an European qualification.

This School now possesses a staff of highly qualified professors, under whose auspices various scientific work of much interest and importance was carried out during the past year.

112. Veterinary School.

This school, I am glad to say, appears to be gaining in popularity. It is now attended by 32 students. At the examinations held in May and December last year, four students passed their final examinations and obtained their diplomas.

113. Schools for the Blind.

In November last, the Blind School at Zeitoun, near Cairo, hitherto a private undertaking, became a public institution. A long lease of the premises has been granted by Mr. and Miss Armitage, the proprietors, at a nominal rental, with right of purchase on advantageous conditions. An appeal to the public for funds is meeting with a very satisfactory reception. The Egyptian Government has granted an annual sum of £ E. 500 in aid of the institution.

A teacher skilled in industrial work for the blind has lately arrived from England, and arrangements are being made by the Committee for renting an additional workshop and day school in Cairo for the pupils who have passed, or are about to pass, through the educational curriculum, and for those who, for age or other reasons, cannot be admitted as boarders. Besides basket and chair-making, other suitable varieties of work will be introduced, such as the making of mats, brushes, &c.

The number of boarders has increased to 27. There are also five day pupils. There is at present accommodation for 35 boarders, and this number will probably soon be reached.

The school continues to publish Arabic works in the embossed Braille type for the use of the blind.

* I regret to be obliged to add that, since these remarks were written, the conduct of the students at the School of Law has been far from satisfactory.

Uniforms have recently been presented for the use of the boys, who are regularly drilled by Egyptian non-commissioned officers.

Two prominent members of the Jewish community have lately joined the Committee, which was previously composed entirely of Moslems and Christians (European and Native).

There is also a school for the blind at Alexandria, which is supported by private subscriptions, by the sale of the work executed at the school, and by a subvention of £ E. 40, which it receives from the Municipality. It is doing some useful work. There are at present 17 blind boys at the school, of different races and creeds.

114. Khedivial Library.

No less than 5,474 volumes were added to the Khedivial Library during the past year. This exceptionally large increase was due to the donation of two large private collections—namely, 1,496 volumes by legacy from the late Sheikh Shingiti, and 747 volumes by gift from the heirs of the late Talaat Pasha. Many of the works comprised in these two collections are Turkish and Arabic manuscripts of great value.

I am glad to be able to report that the Egyptians are beginning to take far more interest in the Library, and to utilize it more extensively, than heretofore. In 1904, only 3,331 persons used the reading-rooms: in 1905, they were used by 13,778 persons, or an average of about 40 readers a day. Of these, 13,000 were Egyptians. During the pilgrim season, the Library is visited by numbers of Moslems from Morocco, Algeria, Tunis, Turkey, and Russia. The number of persons who borrowed books for home use during the year was 52, of whom 37 were Europeans; 1,275 volumes were lent out for home study in 1905, as compared to 926 in 1904. The exhibition rooms were closed for a month and a-half for structural alterations. Nevertheless, the number of visitors increased from 2,000 in 1904 to 8,132 in 1905. Of these latter, 2,375 were Europeans, and the remainder Egyptians.

During the past year the Library issued an illustrated work on Arabic Palæography, containing specimens of Arabic text and documents from the earliest times to the year 1000 A.H.; also an edition of Kalkashanti's "Description of Egypt," a work dated about A.D. 1400.

115. Victoria College (Alexandria).

The number of boys in this College is now 175, of whom 78 are Christians, 61 Israelites, and 36 Moslems. The school is full. Its financial position is satisfactory. A preparatory school has been opened for boys between the ages of 6 and 8 years. A second house is now used for boarders.

Arrangements have been made for the examination of the older boys by the Oxford and Cambridge Joint Board, Arabic having been added to the list of subjects included in this examination.

XI. SCIENCE AND ART.

116. Survey Department.

In 1905, the network of triangulation from Wadi Halfa down the Nile Valley, and along the eastern half of the Delta to the sea, was completed, thus forming a reliable basis for compiling topographical maps. Designed to control the cadastral survey, on a scale of $\frac{1}{2500}$, its accuracy is amply sufficient for this purpose, but the rapid rate of work required prevented a high degree of precision, which would otherwise have been attainable. This network is now being extended over the western half of the Delta. As almost the whole of the cultivated area has now been surveyed, the same rapidity is no longer needed. In the triangulation full attention is, therefore, now being paid to obtaining as accurate results as possible.

The large amount of cadastral survey somewhat delayed the work of the topographical survey, but the publication of the $\frac{1}{50000}$ maps of Egypt has now commenced,

and will be pushed on rapidly. The present edition will not contain much detail beyond the limits of cultivation, as but little of the desert margin has been surveyed in detail. This will be improved in later editions, which will be published as new material becomes available. About 150 sheets on this scale will be necessary. Some are now being printed, and the remainder will be published in the course of the year.

A cadastral survey of more than 1,000,000 acres was completed last year, and the maps of the provinces of Ghirgeh and Assiout have been printed. Minieh and half Beni-Suef provinces have been surveyed. As soon as the remaining portion of the latter province is completed, the whole of the cultivated land of Egypt will have been surveyed on 16 or 25 inches to the mile, and all the maps printed, except those of the provinces of Behera and Sharkieh, which were done before a systematic survey existed, and which require revision.

The provision of town maps for the use of the Local Commissions, &c., has made progress. Those of Ghirgeh, Sohag, and Tantah are completed, and those of Assouan and Zagazig are far advanced.

117. Geological Survey and Museum.

The work of this Department during the last year has lain mostly in the eastern desert where, in addition to the geographical examination of the country, four lines of triangulation are being carried out in order to furnish points for the accurate location of mining claims. One line from Edfou to the Red Sea is completed, and two others have been carried southwards from latitude 25° north for about 180 kilom. The fourth will connect these with the Nile Valley and the Red Sea coast in about latitude 22° north.

A catalogue of the Museum has just been published.

118. Meteorological Service.

The number of meteorological stations has been increased by the equipment as climatological stations of some which hitherto have only recorded rainfall, while the number of rainfall stations has been largely increased. The importance of a more exact knowledge of the climatic changes which take place over the whole of Northern and Eastern Africa is very apparent, since they affect the character of the Abyssinian rainfall and, consequently, the Nile flood. The study of this question on a wide basis is now in hand, but it will take some time to complete. In the meanwhile, the careful accumulation of meteorological observations is an essential preliminary.

119. The Observatory.

At the Observatory, the Reynolds' 30-inch reflector has been mounted, and, as soon as a few small fittings are received, will be complete.

Professor H. H. Turner, F.R.S., Savilian Professor of Astronomy at the University of Oxford, has accepted an invitation from the Egyptian Government to visit Egypt and advise upon methods of work and upon the programme which will best utilize this valuable instrument in the Egyptian climate.

A comparator, for determining with precision the length of bars by comparing them with the standard 4-metre compound bar of platinum and brass, has been erected in a double-walled building, while another house has been constructed in which the co-efficients of expansion and the correct length of metallic wires and tapes can be determined.

It is now possible to make precise survey measurements in Egypt, which will be directly referable to European standards.

120. Hydrographic Survey of the Upper Nile.

For the past four months, the preliminary levelling and surveying of the Nile Valley between Khartoum and Wadi Halfa has been in progress; about 450 kilom. have already been done, and about 300 more will be completed before the summer sets in.

The cataracts will then be surveyed in detail, so as to furnish the Ministry of Public Works with a series of accurate large-scale maps of this part of the river valley.

121. Scientific Research.

Much has been done with the special credit of £E. 5,000, which was provided last year for work of a scientific character.

Captain Lyons writes:—

"A set of 'invar' measuring wires, for the measurement of base lines, was bought, and is now being compared with the standard Brunner base-bar. Precise levelling has been carried for 110 kilom. through the Delta, and marks have been fixed for another 390 kilom., of which 250 kilom. will be levelled during the present winter season. A tide-gauge has been purchased and will shortly be erected on the Mediterranean coast.

"The first few stations of a more precise (geodetic) triangulation have been reconnoitred, and this work will be resumed shortly, when the winter mists have ceased and the new theodolite shall have arrived, the old ones being very cumbersome for transporting.

"A river-gauging station was established above the Second Cataract and measurements were taken till the end of August, when the cable was carried away by the flood. Though this prevented a complete set of measurements from being obtained, much experience was gained, and improved methods thus suggested are already in use.

"The work of the Meteorological Service was carried out by means of this credit, and the information so obtained, supplemented by weekly telegrams from the Meteorological Department of India, from the Italian stations in Erythræa, and from British East Africa, enabled the summer rains to be followed with greater accuracy than had been attained before. At the beginning of May, it was possible to say that the rains would most probably be late, which proved to be the case, and the persistent weakness of the summer rains of Abyssinia was well indicated throughout the season.

"Magnetic observations were made at Gertasse, Assouan, and Edfou during the total solar eclipse of the 30th August, while several Inspectors of the Department assisted the parties who arrived from other countries to observe it.

"By means of the preparatory work done in 1905, it is hoped next year to make a considerable advance in several pieces of scientific work.

"The precise levelling will be actively prosecuted, and a base and the first triangles of the new triangulation will probably be measured. The 30-inch reflector will also be taken into regular use. The hydrographic work is being carried on, and several pieces of research will occupy all the available time of the Laboratory staff. The meteorological data for 1901–05 from Egyptian and Soudan stations will be published and the climate discussed."

122. Egyptology.

In the Estimates for 1905, provision was made for an increase in the amount heretofore allotted to the Antiquities Service. The number of Inspectors has been increased to four, and various improvements have been made in the arrangement of the inspectorates. One Inspector, Mr. Howard Carter, resigned his post, and was replaced by Mr. Edgar. Two new Inspectors, Messrs. Lefebvre and Weigall, were appointed.

Good work was done last year in the way of excavation. M. Legrain continued his work at Karnak, and brought to light a large number of statues, some of which are of great value. Mr. Quibell commenced digging at Sakkarah. His excavations promise to be of the highest interest.

Mr. Barsanti has opened up a very large tomb at Zawiet-el-Aryan, belonging to one of the Pharaohs of the earliest dynasties. He has not yet, however, penetrated to the mortuary chamber.

Mr. Davis, an American gentleman, made a most interesting find at Thebes in the spring of last year. He discovered the tomb of the father-in-law of Amenhotep III. This tomb contained a remarkable collection of very beautiful objects, many of them richly gilt. These have all been transported to the Cairo Museum.

M. Maspero himself inspected Nubia last year, and made an estimate of the cost of consolidating and repairing the different monuments in that region. With regard to Philæ, he reports:—

"L'Ile de Philæ continue à se bien comporter, et tout danger immédiat paraît être écarté. Le salpêtre se produit en quantité moins grande, et s'enlève plus aisément que les premières années. Tout va bien de ce côté pour le moment."

The great catalogue of the Museum has made considerable progress. Nine volumes appeared last year, bringing the total published since 1901 up to fifteen. M. Maspero thinks that the work of compilation may be completed in three years' time, and that of printing in six years.

123. Preservation of Arab Monuments.

About £E. 12,000 was spent on the preservation of Arab monuments during the past year. Of this sum, £E. 8,000 was contributed by the Wakfs Administration, and £E. 4,000 by the Government. The Coptic Patriarch also contributed a sum of £E. 200 for the restoration of various Coptic churches.

£E. 11,360 was expended on Mosques and other ancient Mohamedan buildings. The most important item of expenditure was £E. 2,930 on the celebrated Sultan Hassan Mosque. £E. 1,040 was expended upon the restoration and preservation of Coptic churches.

In addition to the sums mentioned above, a grant of £E. 4,000 has been promised by the Government, to which £E. 1,000 has been added by the Coptic Patriarch, in in order to repair the celebrated Coptic monasteries at Sohag, known as Deir-el-Abyad and Deir-el-Ahmar. Both the Government and the Coptic community are indebted to Mr. Somers Clarke for having brought the bad state of repair of these monasteries to their attention.

124. Zoological Gardens.

Many valuable additions were made to the Gardens in the course of last year.

On the 1st January, 1905, the price of admission on week days was reduced from P. T. 2 (5*d*.) to P. T. $\frac{1}{2}$ ($1\frac{1}{4}d$.). The result has been remarkable. The number of visitors increased from 64,711 in 1904 to 177,587 in 1905. The gate-money amounted to £E. 1,402 in 1905, as compared to £E. 1,385 in 1904. Captain Flower thinks, and with reason, that the Gardens may prove of "distinct educational value to the people."

XII. CONCLUSION.

125. Conclusion.

In concluding my Report of last year I stated that, in view of the recent signature of the Anglo-French Agreement, the year 1905 opened under auspices of a peculiarly favourable nature for the cause of Egyptian progress and reform. I think it may be said that this anticipation has been realized. During the past year the whole machine of government worked very smoothly. It will be seen from the Report which I now submit that improvements in various directions have been effected. There is every reason to believe that this steady and uniform rate of progress will be maintained in future years, but nowhere must there be undue haste.

I have, &c.
(Signed) CROMER.

Inclosure 1 in No. 1.

The Balance of Trade.

MEMORANDUM BY MR. ROUSSIN.

THE study of the course of Egypt's foreign trade is beset by the difficulties inherent in this class of investigation in all countries, difficulties which are nevertheless somewhat mitigated by the broad and simple lines on which Egyptian commerce is

conducted. An agricultural country, laden with an immense debt, Egypt has to pay, through her exports of staple produce, not only for her imports, which comprise the whole of the fuel, timber and manufactured goods, and a great part of the food-stuffs, required by the population, but for the interest and redemption of her debt as well. Further, since both imports and exports are subject to *ad valorem* duties, rendering it necessary, for fiscal purposes, to value the merchandise as accurately as possible, the official returns of trade should furnish a trustworthy basis for statistical calculations.

Into the problem thus simply stated enter, however, many considerations of a highly conjectural nature, which it will be the object of this note to discuss.

Obviously the first point to be considered is the degree of accuracy attained in the official returns of imports and exports. These, as mentioned, are subject to *ad valorem* duties, the imports being valued as at the port of arrival, and the exports at the port of departure. But in practice, the valuation of every item of merchandise at the moment of levying the duty would be productive of endless friction and delay, besides entailing considerable expense. So, to facilitate matters both for the public and the Customs, the staple articles of import and export are valued periodically at the market price of the day in agreement with the principal merchants interested, and the value or "tariff" thus fixed for each description of goods is assumed to be its value, for fiscal purposes, during the period for which the tariff is in force.

From a statistical point of view, this method of valuation is probably, in the long run, a more accurate one than that of estimating the merchandise as it passes through; for although the market may rise or fall considerably during the period fixed, the fluctuations must tend in course of time to counterbalance one another, while the numerous sources of error involved in the use of the alternative method are avoided.

Only staple commodities, of course, can be treated in this manner. Goods such as machinery, furniture, made-up clothing, &c., must necessarily be valued separately. Of the total imports, however, which include all possible descriptions of merchandise, 56 per cent. are brought under tariffs. Out of the remaining 44 per cent., 12 per cent. are imported by merchants of standing under arrangements which permit the Customs authorities to assure themselves that the values declared are correct. There remain, therefore, only 32 per cent. of the imports which may be considered as subject to inaccuracy in valuation, and of these it may be assumed that the greater portion is correctly estimated or declared. The margin for error is thus reduced to very small proportions.

In considering this question of valuation, it is of interest to ascertain what light can be thrown on it by a comparison of the returns bearing on the same goods as given by the respective countries dealing in them.

The British Customs returns are specially worthy of study in this respect, since 45 per cent. of Egypt's total trade is carried on with the United Kingdom. Collation of the figures of exports to Egypt, as given in those returns, with the value of the imports from the United Kingdom, as stated in the Egyptian returns, shows, as might have been expected, an excess of the latter over the former when taken over a series of years. This excess, however, is not sufficient to account for the freight and other charges by which the value of the merchandise is increased on its passage from Great Britain to Egypt. In fact, if we eliminate coal, a commodity on which the freight amounts to a very large sum, the excess disappears altogether, and the remainder of the imports into Egypt from the United Kingdom figures for approximately the same total value in the respective returns of the two countries.

It follows from this that inaccuracy must exist either in the British or the Egyptian returns, or in both, to the extent of the amount representing the cost of transport of the merchandise in question. But if it be borne in mind that this merchandise consists mainly of manufactured goods on which the rate of freight is very low in proportion to their value, probably considerably less than 5 per cent. on the whole, and moreover that a certain tendency to overvaluation on the part of the British exporter may be allowed for, we are led to the conclusion already established on other grounds, viz., that errors in the valuation of the Egyptian imports are confined within very narrow limits.

Turning to the exports, which consist almost entirely of staple products of the country, for which there is a free market in Alexandria, it is evidently an easy matter to fix tariffs for them based on the market value of the day, and this is, in fact, what is done month by month. But by a long-established usage, 10 per cent. is deducted from the market price in fixing the dutiable value. This renders necessary an important correction in the official figures of the exports; since they represent only 90 per cent. of the market value, 11·1 per cent. must be added to them in order to arrive at it.

There are further considerations which impair the validity of the export figures. The produce marketed, of which cotton is the chief, varies in price according to its quality. The tariffs, however, fix one price for each commodity irrespective of differences in quality. In the case of cotton, the price taken is that of "good fair brown," a quality which is certainly below the average quality exported.

However exactly the values of the imports and exports may be ascertained, the actual price paid for them, which is the essential factor in the international account, may, and does, vary considerably from those values. In the case of the imports, the value at entry is a fair indication of the price paid by the merchant, the variations tending to compensate each other if the figures are taken over a sufficiently long period. But the price paid for exports is presumably at a permanently higher level than the bare market price at the port of departure, the difference representing traders' commission and profits, &c. Comparison of the Egyptian and British figures in this connection gives the following striking results (the Egyptian figures have been brought up to market value by the addition of 11·1 per cent.):—

	In Thousands of £ sterling.				
	1900.	1901.	1902.	1903.	1904.
Egyptian exports	10,504	9,235	10,618	11,582	12,513
British imports	12,586	11,906	13,765	12,984	14,302
Percentage of excess British over Egyptian	19·8	28·9	29·6	12·1	14·3

These large differences represent much more than the amount necessary to cover the cost of transport. They are no doubt due in part to inaccuracies in the British returns, which reveal, on analysis, certain overstatements of the quantities inexplicable on any other hypothesis. But it is submitted that the discrepancies cannot be entirely accounted for in this manner, for there is a large and permanent excess in the valuations on the British side, while on the other hand it has to be considered that the checking of the values of cotton, cotton-seed, and the few other staple articles of import from Egypt can present little difficulty to the authorities in the United Kingdom, as their prices are quoted daily in the British markets. It appears therefore reasonable to assume that part at least of the difference observed must be earned by this country.

To whatever cause the discrepancies be ascribed, sufficient has been said to show that the official returns should be used with great caution. For the purposes of this note, the export figures will be increased by 15 per cent., 11·1 per cent. to make up for the 10 per cent. deduction from market value, and the remaining 3·9 per cent. roughly to compensate for the undervaluation in quality of the cotton, no further allowance being made on account of the indeterminate elements that have just been discussed.

The movement of specie in and out of the country plays a large part in the settlement of its commercial transactions. Every year large quantities of gold are imported during the cotton season, of which only a portion is re-exported. There is no import or export duty on the precious metals to necessitate rigorous fiscal control, and unrecorded leakage probably occurs through many channels. The Customs authorities, in fact, do not pretend to accuracy in the matter, and publish in their returns the figures of specie with the reservation that they are confined to what is actually declared as imported or exported. Nevertheless, there is little doubt that the large consignments of gold effected by the banks, which form the greater part of the total, appear, without exception, in the returns, while much of what enters or leaves the country unrecorded is in connection with transactions which do not affect the trade returns.

With these general considerations in view, the following tabular statement of the commercial movement of the last eighteen years may be studied with advantage:—

Year.	In Thousands of Egyptian Pounds.									
	Imports.			Exports and Re-exports.				Balance.		Average of Triennial Periods.
	Merchandise.	Specie.	Total.	Merchandise.	15 per Cent. Addition.	Specie.	Total.	Imports over Exports.	Exports over Imports.	Balance Exports over Imports.
1888	7,738	2,039	9,777	10,758	1,614	2,643	15,015	..	5,238	
1889	7,021	1,900	8,921	12,270	1,840	1,964	16,074	..	7,153	5,821
1890	8,081	2,972	11,053	12,209	1,831	2,085	16,125	..	5,072	
1891	9,201	2,825	12,026	14,180	2,127	1,524	17.831	..	5,805	
1892	9,091	3,826	12,917	13,683	2,052	2,048	17,783	..	4,866	5,867
1893	8,719	2,947	11,666	13,112	1,967	3,517	18,596	..	6,930	
1894	9,266	1,996	11,262	12,220	1,833	1,816	15,869	..	4,607	
1895	8,390	4,319	12,709	12,949	1,942	2,322	17,213	..	4,504	4,356
1896	9,829	3,720	13,549	13,637	2,045	1,826	17,508	..	3,959	
1897	10,604	2,921	13,525	12,762	1,914	2,369	17,045	..	3,520	
1898	11,033	2,730	13,763	12,318	1,848	1,892	16,058	..	2,295	3,212
1899	11,441	4,516	15,957	15,892	2,384	1,502	19,778	..	3,821	
1900	14,112	4,115	18,227	17,353	2,603	2,603	22,559	..	4,332	
1901	15,245	3,086	18,331	16,401	2,460	2,432	21,293	..	2,962	3,532
1902	14,815	4,779	19,594	18,314	2,747	1,834	22,895	..	3,301	
1903	16,753	6,432	23,185	19,812	2,972	1,786	24,570	..	1,385	
1904	20,560	7,607	28,167	21,687	3,163	2,731	26,981	1,186	..	501
1905	21,534	4,782	26,346	20,678	3,102	3,870	27,650	..	1,304	

The balances of exports over imports and *vice versâ* have been grouped into triennial periods in the foregoing Table; this method, besides tending to eliminate accidental variations and overlapping, permits the general tendency of the trade to be perceived at a glance.

The first six years of the period under examination show an excess of exports over imports of about £ E. 5,800,000 per annum. From thence onwards there is a gradual decline, culminating, in the triennial period just completed, in a sudden drop which places the exports and imports nearly on a level with each other.

Before discussing the causes of this phenomenon, it is necessary to discover and estimate as far as possible the influences which operate only on one side of the account, causing it to expand or diminish without a corresponding set-off on the other.

The most powerful of these influences is, undoubtedly, the heavy charge for the tribute and foreign debt, which has to be settled in some form by an export for which there can be no corresponding import. The amount of this charge it is possible to ascertain within very narrow limits, the debt being held almost entirely abroad. To the interest charge may be added the payments towards redemption of loans and the amount of the securities purchased for the Reserve Funds, while allowance must be made for sums received on account of new issues. The net result of these operations is tabulated hereunder in triennial averages, and the balances of exports and imports modified accordingly:—

Triennial Periods.	In Thousands of Egyptian Pounds.			
	Average Excess Exports.	Average Debt Charge, &c.	Balance.	
			Imports over Exports.	Exports over Imports.
1888–1890	5,821	4,800	..	1,021
1891–1893	5,807	5,600	..	267
1894–1896	4,356	5,500	1,144	..
1897–1899	3,212	5,500	2,288	..
1900–1902	3,532	4,600	1,068	..
1903–1905	501	6,500	5,999	..

The increase in the average debt charge in the last triennial period is due to the redemption of the Daira Sanieh Loan last October.

The debt charge thus eliminated, the course of trade during the eighteen years shows the exports outbalancing the imports at the outset, the imports then gaining on the exports until they exceed them by the enormous sum of £ E. 5,999,000 per annum

There remain, however, many other factors whose effect on the returns should be allowed for, were it possible to ascertain them with accuracy. But the mere enumeration of a few of them is sufficient to demonstrate the difficulty, if not the futility, of such a task. Thus the balance in favour of the imports is increased by such quantities as the following:—

Money spent by tourists.
Cost of the army of occupation.
Expenses of the Suez Canal Company.
Profit on the coinage of silver abroad.
Winnings of Egyptian speculators on foreign bourses.
Commissions earned by coal and shipping agents, coaling expenses at Port Saïd, &c.
Freights earned by Egyptian ships.
Outlay of ships in port, paid for by foreign draft.
Gold carried away in ships in payment of freights and merchandise.
Private incomes of foreign residents, and interest on foreign investments.
Capital borrowed, &c.

While examples of items operating in the opposite direction are:—

Interest and profits on foreign capital invested in Egypt (banks, companies, &c.).
Passage money and holiday expenses of residents.
Losses of Egyptian speculators on foreign bourses.
Investments abroad, &c.

Some of these factors can be estimated with accuracy and recur year by year. Thus, the army of occupation costs about £ E. 310,000 a-year, and the Suez Canal spends annually a sum of about £ E. 420,000 provided from foreign sources. The profit on the coinage of silver during the last three years averaged about £ E. 140,000 per annum, but in previous years was considerably less.

The money brought into the country by tourists during the season must amount to a very large sum, which is constantly on the increase; it is extremely difficult to arrive at any but the broadest estimate, but it is probably well over 1,000,000*l.* annually. It is partly set off by the amount spent out of the country by residents, including passage money.

The outlay of ships in Egyptian ports for stores, payment of dues, &c., amounts to a sum which may be estimated at a minimum of £ E. 500,000 per annum, a great part of which is paid by foreign draft. Winnings and losses of speculators tend to counterbalance each other, though it is said that of late years the former have greatly exceeded the latter. There are other items in the list which probably make up in the aggregate a considerable sum, but of which the data to enable even an approximate estimate to be formed are not available.

Excluding for the moment the consideration of borrowed capital, it is thus evident that a number of transactions of a more or less recurrent character combine to influence the balance of trade to a considerable extent. While these influences undoubtedly preponderate in favour of the import side of the account, the unknown elements in the problem, together with the uncertain nature of others, render any attempt to estimate the difference with accuracy, and to balance off the trade exactly for any one year or period of years, of little value. It may, however, be stated with certainty that the ordinary forces at work would not suffice in the aggregate to account for the present disproportion between imports and exports.

This conclusion is borne out by the progressive figures of the course of trade tabulated above. The chief value of these figures lies in the evidence they afford of the changes that have taken place during the years under review, the net differences from period to period reflecting the changes independently of such elements in the situation as may be considered constant. Thus during the last triennial period the balance of trade shows a difference in favour of the imports of five millions per annum over the average of the three preceding years. No variation in the influences already discussed would explain so large an increase as this, which must, therefore, be attributed to another cause.

This cause is clearly the introduction, in various forms, of new capital into the country. While capital had been flowing into Egypt more or less steadily for some years previously, the progressive movement in commercial and financial enterprise which took its inception in the successful cotton season of 1902–3, has been accompanied by enormous accessions to the sums invested in the country from other parts of the world.

Banks have greatly increased their resources from abroad, new banks and Joint Stock Companies have been established with foreign capital, stocks of goods, imported on credit, have been largely augmented, and in numerous other ways has Egypt increased her indebtedness to foreign nations. The greater portion is no doubt banking capital. The redemption of the Daira Sanieh Loan is represented by the increased capital of the "Crédit Foncier"; even a portion of the new Company capital is replaced by banking capital in the form of advances on shares.

While the increase in the excess of imports over exports shown in the last Table is probably not an unfair measure of the amount of new capital introduced, it is difficult to verify the figure by reference to the actual facts; a large proportion of the amount does not appear in any published returns, while, on the other hand, a certain part of what is published has been subscribed in Egypt.

If the conclusions formulated in this note are well founded, it follows that the present situation cannot be prolonged indefinitely. The fact should not be lost sight of that Egypt is a debtor country, and will continue so for generations to come. Debtor countries must pay tribute, in the form of exports, for the interest due to their creditors, and although this movement may be concealed during the period of borrowing, it must reappear in all its force when that borrowing falls off. The presumption is, therefore, that the figures of the balance of trade tabulated above will not continue their ascensional movement, but will, on the contrary, tend to revert to the normal. Whether this readjustment will take the form of an increase in the exports or in that of a decrease in the imports is a question which time alone can decide.

(Signed) L. G. ROUSSIN.

January 18, 1906.

Inclosure 2 in No. 1.

The Movements of the Currency.

NOTE BY MR. ROUSSIN.

At the opening of the year 1905, there was a superabundance of silver coin in circulation, due principally to a sudden fall in the price of cotton in December 1904, which produced a corresponding restriction in the volume of trade and the demand for currency. Both gold and silver coin had been taken into circulation in large quantities during the preceding months; the issues of silver, indeed, surpassed all previous records, the total withdrawn from the Government Treasuries during September, October, and November amounting to no less than £ E. 345,000.

It is highly probable that these large withdrawals were in a measure due to the anticipation on the part of certain sections of the public that the Government reserves would not prove sufficient fully to satisfy the demand for winter circulation, as in fact had been the case in the two preceding seasons. The ample provision, however, which the Government had made rendered such a contingency practically impossible; £ E. 525,000 worth of new silver coin was struck during 1904, and the reserve in the Treasuries never fell below £ E. 160,000.

If the demand for silver was artificially fostered in this way, the reaction following on the fall in cotton would naturally be the more severely felt. It was, as a matter of fact, shown in a marked manner throughout the country. Stocks of silver coin accumulated in the hands of bankers and merchants, who found it impossible to dispose of them. The superfluity of gold coin found its natural outlet through the medium of re-export, but that of silver remained as a clog on the internal trade, representing a lock-up of capital attended with loss to those who were unfortunate enough to find themselves its custodians.

To remedy this situation, and to relieve the community of an unequal burden, there was evidently one measure—and one only—indicated, to wit, the assumption of the charge by the Government. Arrangements were accordingly made in January to receive silver coin against gold at the Government Treasuries and at the National Bank of Egypt. The circulation at once readjusted itself, and silver continued to flow into the Treasury until the month of August, when the quantity in the hands of the public reached its minimum for the year. At this date the total amount returned to the Government, out of the £ E. 345,000 new silver coin issued nine months previously, was £ E. 215,000, leaving £ E. 130,000 as a permanent addition to the circulation.

The following Table shows at a glance the movement of the circulation from the opening to the close of the 1904–5 cotton season:—

	In Circulation.			Expansion.	Contraction.	Difference. *i.e.*, Nett Expansion.
	August 1904.	November 1904.	August 1905.			
	£ E.	£ E.	£ E.	£ E.	£ E.	£ E.
Silver coin	1,801,000	2,145,700	1,931,400	344,700	214,300	130,400
Nickel coin	318,800	344,800	330,000	26,000	15,000	11,000
Bronze coin.. ..	10,900	11,200	11,700	800	..	800
Total	2,130,700	2,501,700	2,273,100	371,500	229,300	142,200

It may here be remarked that the contraction in the circulation of nickel coin is an unusual feature. Though introduced with some misgivings with the reform of the currency in 1886, the nickel coinage met with so great a success that the demand for it has, until this year, progressed almost independently of the periodical contractions exhibited in the circulation of silver.

The movement of the gold circulation during the 1904–5 season was similar, up to a certain point, to that of silver. Sovereigns were imported to the amount of 5½ millions, a portion of which was rendered superfluous, as has already been shown, by the fall in the price of cotton. The redundancy thus created was accentuated by the liberation, in January 1905, of large reserves in specie held by the Caisse de la Dette,

which, on being handed over to the Government in virtue of the new arrangements, were banked, and thus contributed to swell the market resources. About 2 millions were shipped abroad, chiefly to England and India, in December and January. Part of this shipment, however, proved to have been premature, for fresh gold was imported in March and April, to be re-exported in June and July. The total imports for the season aggregated £E. 6,600,000 and the exports £E. 3,600,000, leaving £E. 3,000,000 as a permanent addition to the stock of gold in the country.

The expansion and contraction of the gold and silver circulation during the last four seasons are shown in the following Table, collated with the cotton statistics for the same period :—

	1901–1902.	1902–1903.	1903–1904.	1904–1905.
	£E.	£E.	£E.	£E.
Gold—				
Imported (*i.e.*, total expansion)	2,900,000	4,800,000	7,500,000	6,600,000
Exported (*i.e.*, temporary expansion)	1,800,000	1,800,000	2,500,000	3,600,000
Balance retained (*i.e.*, permanent expansion) ..	1,100,000	3,000,000	5,000,000	3,000,000
Silver—				
Withdrawn from Treasury (*i.e.*, total expansion)..	158,000	219,000	259,000	345,000
Returned to Treasury (*i.e.*, temporary expansion)	151,000	48,000	48,000	215,000
Balance (*i.e.*, permanent expansion)	7,000	171,000	211,000	130,000
Cotton exported—				
Quantity in cantars	6,526,000	5,860,000	6,144,000	6,376,000
Value, £E.	13,800,000	17,000,000	20,400,000	17,800,000

In the summer of 1905, it became necessary to make provision for the requirements in silver of the present season. The stock in the Government's hands at the end of July, including £E. 100,000 new coin received in March, amounted to £E. 452,000. This sum would amply have sufficed to satisfy the winter demand in any previous year, but, in view of the very large crop anticipated and the possibility of high prices, it was thought advisable to supplement the reserve by a further £E. 100,000, which was accordingly ordered from the Birmingham Mint, and arrived in November.

The event has shown that this extra provision was unnecessary, for the silver withdrawn from circulation up to the end of this year has not exceeded £E. 214,000, as against £E. 345,000 in 1904. The imports of gold, which at the same period in 1904 amounted to 5½ millions, have reached only 3½ millions in 1905.

This relative diminution in the demand for winter circulation has especial interest when contrasted with the fact that the cotton crop has come to market in rather larger quantities than last season and has commanded higher prices. Until the season has run its course it would be premature to attempt to assign to this phenomenon, with any certainty, its proper causes. The increasing stock of floating circulation, the restriction in banking accommodation, the liberation of Government revenues formerly paid into the Caisse de la Dette, the expansion in the note circulation of the National Bank of Egypt, all these have probably been more or less important factors in the result. It may be that the movement of the silver circulation, though similar in appearance to that of gold, is due, at least in part, to different causes, such as the absence of the artificial demand already described.

Trustworthy data bearing on the state of the circulation do not extend back over many years. It is hoped that a careful study of the details that are year by year accumulating may eventually throw light on questions of both general and particular interest in connection with the subject.

(Signed) L. G. ROUSSIN.

January 4, 1906.

Inclosure 3 in No. 1.

Report on the Mining Industry in Egypt for the Year ending December 31, 1905, by J. Wells.

The early portion of the year, as also the latter half of 1904, was spent in a preliminary examination of the southern, central, and lower northern mineral fields in the Eastern Desert, between the Nile and the Red Sea. Preliminary inspection.

The primary object of such examination was, first of all, to determine whether the extent of the mineral belts and the ancient mines therein was sufficient to warrant serious consideration by the Government, and whether the evidence afforded by the remnants of ancient mining operations warranted an expenditure of capital to reopen the mines, which have lain idle for so many centuries.

In April last, I addressed a Report to the Financial Adviser, in which I expressed an opinion that the evidence as afforded in the ancient mines was sufficient to warrant the Government's consideration, and that there was at least a reasonable possibility that the mineral industry might be revived within Egyptian territory. Report of April 1905.

The Report further dealt with the advisability of creating the nucleus of a special force of police for the deserts and the formation of a Department of Mines to assist the industry and make necessary provisions for the regulation and conduct of operations. It also indicated the necessity of both topographical and geological surveys of the whole of the eastern deserts.

The Report was submitted, not as a final and close-drawn scheme for administration, but rather as a basis upon which to found an initial policy.

A Department of Mines has been inaugurated, and the following is a rough outline of the work now proceeding in conjunction therewith :—

(*a.*) The Ministry of the Interior are raising the first details of a special force of Camel Corps Police, comprising five officers and non-commissioned officers with twelve privates. Police.

The preliminary head-quarters of this force will be at Edfou, where the Department is erecting barracks for their accommodation. Edfou base.

(*b.*) The Department of Mines consists of an Inspector-General, a Chief Assistant Inspector, an Assistant Inspector, an Assistant Engineer, a Secretary, and the necessary complement of clerks. A field base is being made at Edfou for the accommodation of Inspectors, and for storing of supplies and materials required for the work of the Department. Department of Mines.

(*c.*) Lines of communication between Edfou and the Red Sea have been commenced, the ancient wells are being reopened, and a track suitable for light motors is being made between them. Communications.

As soon as the first line of communication is complete to the Red Sea, others will be started at suitable points from it, going north and south into other districts as may be found requisite. The objects of these lines of communication are to give better access to the various mining centres for purposes of control, to enable labour to be more economically dispatched to the mines, and to give facilities to the mining Companies for transport of the various classes of material and food-stuffs which they require.

(*d.*) With a view to shortening the time between the base at Edfou and distant centres, experiments are being conducted with light three-wheeled motor-cars and motor-cycles. It is a bit early yet to speak of the final result to be attained by these experiments, but the results to date are in every way satisfactory, the preliminary 12-miles section between Edfou and Bir Abbad being easily covered in forty-five minutes by the cars and in thirty-three minutes with the motor-cycles. Motors.

The third well on the road, 45–50 miles east of Edfou, is easily reached by motor-cycle in from two hours to two hours fifteen minutes, as against eleven hours by trotting camels.

(*e.*) An attempt is being made to effect preliminary arrangements with the various mining Companies to assist them to obtain such labour as they may require. Supply of labourers to the mines.

(*f.*) It is proposed to have Omdehs at mines where the number of employés are sufficient to warrant a separate Omdehship, and to appoint district Omdehs in areas wherein small parties may be working. Omdehs.

The Omdehs will be paid by the Government instead of by the various mining

Companies, as at present, and will be under the direct orders of the police and Inspectors. An Omdeh tax will be imposed upon the various parties at work in each section, according to the number of men they employ.

Labour. The number of native employés at the various mining camps has varied, from month to month, between 1,540 and 1,169 during the period under review. Complaints have been received from time to time of shortness of labour, but investigation shows that there has been no shortage in camps where the men are fairly treated and some interest is taken in their accommodation and welfare. At the mines more distant from the Nile, the difficulty of access has certainly prevented a considerable number of men seeking work. This matter will, however, be remedied as well-sinking proceeds and lines of communication are improved.

In Egypt, as in all countries, the personality of the employer makes a great difference both in the quantity and quality of labour seeking work at different centres. Where one man finds it almost impossible to obtain sufficient labour, another is inundated with applications from men seeking work.

Foreigners. The foreign employés have varied between 91 and 119, and include the following nationalities: British, French, German, Italian, Austrian, Greek, Armenian, and American.

Crime. There has been almost an entire absence of crime throughout the mining districts, with the exception of one case of highway robbery in the neighbourhood of Keneh, on which occasion all connected with the robbery were captured.

Gold returns. The total returns of gold from two Companies, viz., the Nile Valley and the Um-Rus Gold Mining Companies, has amounted to £ E. 40,000.

Attached will be found a plan* showing the position of the various existing concessions, and a few brief notes on each may prove of interest.

Cairo Syndicate, Sinai. Starting at the northernmost point, we have the Cairo Syndicate prospecting in the northern half of the Sinai Peninsula. Their engineers have reported the discovery of copper, and have also found a thin seam of carboniferous matter containing a small vein of coal.

Cairo Syndicate, Egypt. To the south of latitude 28°, and to the north of the Egyptian Mines Exploration Company's concession, the above Syndicate have also been prospecting both for coal and for other minerals. So far no coal has been found, but very extensive ancient workings for gold have been located in the neighbourhood of Jebel Zeit, and about 12 miles from the Red Sea littoral. This is the most northern point at which any ancient gold mines have as yet been discovered, though copper is reported still further to the north.

North-western Exploration Company. On the west side of the river, between Assiout and the 28th parallel of north latitude, the North-Western Exploration Company have a concession, and are at present engaged in exploring the same. They report having found deposits of phosphates and nitrates.

Egyptian Mines Exploration Company. To the south of the Cairo Syndicate's concession, the Egyptian Mines Exploration Company with their various subsidiaries are prospecting an area of about 10,000 square miles. Their operations are, however, confined to three mines, situated 45 to 60 miles east-north-east of the town of Keneh.

At the Semna Mine, the most easterly of the group, there are extensive ancient workings, and a vein of considerable size and value is reported.

To the west of Semna, some three hours by camel, the Company are prospecting a long line of workings, known as the Erydea Mine. Here, again, the ancient workings are extensive, and the results so far obtained on the vein are stated to be satisfactory.

To the south of the Semna Mine, at Atallah, the Company is developing another series of ancient workings in a granitic formation, and although the vein is, as a whole, small, some extremely high values have been met with in the course of development.

Um-Rus Mine. In the south-east corner of the concession is the Um-Rus Mine, which is controlled by the Um-Rus Gold Mining Company; here a large plant has been erected, consisting of an electric generating station, air compressors for driving ten rock-drills, and a railway 6 miles long connecting the mine with a ten-stamp mill by the seaside. The main shaft is sunk to something over 550 feet in depth, and development is proceeding as rapidly as circumstances permit.

The present rate of output varies between 1,200*l.* and 1,600*l.* worth of gold per month.

Streeter's concession. To the south of the Egyptian Mines Exploration Company's concession and on the Red Sea littoral, Mr. E. W. Streeter has a concession for thirty years to work the emerald mines, and also a prospecting licence for other minerals which will expire

* Not published.

shortly. Work is proceeding on one of the emerald mines, at Sikait, and at the foot of Jebel Nugrus upon ancient workings for gold.

Considering the area of the concession, the operations being conducted are very small.

The concession includes some of the most mountainous country in Egypt, with hill-ranges varying from 5,000 to 7,000 feet above sea-level, and mineral matter is widely distributed throughout the area. Ancient workings for gold, lead, copper, iron, emeralds, and sulphur are known to exist; the economic conditions are good and practically all of the mines are within 30 miles of the Red Sea shore.

Egypt and Soudan Mining Syndicate.

To the west of Mr. Streeter's concession the Egypt and Soudan Mining Syndicate have four prospecting-areas of 25 square miles each, known as Hamesh, Samut, Dungash, and Barrahmia, all of which are located upon ancient gold workings.

Considerable prospecting work was effected at Hamesh, but on striking water in large quantities operations ceased for the time being. At Samut, the prospecting work conducted is stated to have been unsatisfactory, and the Company are now operating only at Dungash and Barrahmia.

At Dungash, there are extensive workings of gold, but development has not yet been pushed far enough. At Barrahmia, the ancient mines are very extensive and some remarkably rich stone is stated to have been encountered in the course of sinking below the ancient workings.

Nile Gold-fields.

To the south of Assouan, the concession held by the Nile Gold-fields has been abandoned.

G. Wills.

To the east of this section, a concession has been granted to Mr. G. Wills; up to the present, however, he has not started operations.

To the east again of Mr. Wills' concession, an area, which is free, has been applied for.

Egyptian Options (Limited).

To the south of the above, and down to the Soudan border, the late Haig Concessions have been granted to the Egyptian Options (Limited), who have an exploring party prospecting for gold and other minerals.

Nile Valley group.

To the east of the above concession, the Nile Valley Company have been continuing to develop the Um-Garaiart Mine. Gold to the value of about 30,000*l.* has been extracted since my last Report.

The Nile Valley Block "E" Company are prospecting a small mine to the north of Um-Garaiart, and the North Nile Valley Company has been granted a mining lease at Haimur, about 8 miles north-west of Um-Garaiart. The latter Company are not at present carrying on operations.

Corporation of Western Egypt.

To the west of the river, in the Oases of Khargeh and Dakhleh, the Corporation of Western Egypt have started preliminary development and exploration, and are engaged in constructing a railway between Farshoot, on the Nile, and the village of Khargeh, in the Khargeh Oasis. Extensive deposits of alum, phosphates, and ochres are said to exist, and are being investigated. A find of very considerable interest has recently been made, viz., the occurrence of gold in a lower bed of phosphate rock which is heavily pyritic, and contains gold from a few pence to as high as 7*s.* 6*d.* or 8*s.* per ton. It is, of course, possible that this find may merely be a local freak of nature; on the other hand, it may lead to interesting scientific and commercial discoveries.

Coal and oil.

Very considerable interest is attached to the possibility of finding coal or oil in Egyptian territory, and I consider it of the utmost importance to Egypt that every encouragement should be given to would-be prospectors for both of these substances. At present, we have not got sufficient information of the geological features of the country to be able to express any decided opinion either for or against the occurrence of coal and oil in Egypt.

So far as investigation has gone, we may assume that the more recent deposits outcropping at the surface do not contain commercial bodies or seams of coal, but our knowledge merely appertains to a rapid survey of the immediate outcrops of these recent formations, and careful examination and deep boring can alone decide the possibility of coal in the formations underlaying those immediately on surface.

On the Red Sea littoral, in the neighbourhood of Jebel Zeit, petroleum undoubtedly exists, but whether in commercial quantities or not is at present undecided. The concession lately held by Sir Elwin Palmer and friends over the above area has been abandoned, but new people have come forward and expressed a desire to conduct boring operations in the neighbourhood, and negotiations are being conducted with a view to granting them the rights that they desire. Another party has applied for rights to explore for coal any unleased lands, and with a view to giving facilities for those wishing to prospect, a new form of prospecting licence has been drafted for all unleased

lands throughout Egypt. The general terms of this licence are: a yearly fee of £E. 25 per licence, which will permit the licensee to take up a prospecting area of 25 square miles, and, should coal or oil be found, the right to apply for and receive a concession not exceeding 10,000 acres for coal, and 5,000 for oil at a yearly rental per acre of P. T. 12½, with a royalty of P. T. 2½ per ton of coal, P. T. 2½ per 100 gallons of raw oil, and P. T. 15 per ton on mineral waxes or other substances included in the licence.

It is hoped that this licence will be ready to issue within the next three weeks.

Present mining leases.

In my last year's Report, I mentioned that some clauses of the present mining leases were unsatisfactory, and likely to prove unworkable. I referred especially to the clause dealing with profits.

During the past summer a meeting was arranged in London between the officials of the Government and the various Companies interested in mining in Egypt to elicit the latter's views on the present clause, with the hope that by so doing it might be possible to arrive at a rearrangement of the terms called for, which would be satisfactory to all present lease or licence holders having a right to apply for mining leases during the continuance of their prospecting licence. An infinite amount of attention and study has been given to the question, and the general opinion arrived at is that the clause as it now stands will be neither satisfactory to the Government nor to the lease-holders. The matter has now been referred to a Committee, with instructions to report at an early date.

Owing to the numerous points requiring consideration, it is impossible for the Committee as yet to express a final opinion, but I think it is unanimously agreed that, although for the purposes of existing licences we may still have to use the present clause, it will not be advisable to issue a new series of licences or leases under the same conditions.

Regulations.

Regulations are now being prepared for the proper control of all operations in connection with the mines, and should be ready for publication sometime within the next six months.

Prospecting licences.

It has been decided to issue no more exclusive prospective licences over large areas, and there is under consideration a general prospecting licence giving rights to individuals to prospect for gold or other minerals over all unleased areas in Egypt. These licences would, however, in the first instance, be only granted over areas brought under control as lines of communication between the Nile and the various mining centres are opened up.

I do not consider that the development of the industry can proceed if vast areas are locked up with Companies or individuals whose financial position does not permit of their carrying out the terms of their agreement with the Government, and I also believe that the publication of the standard terms under which any and everybody can obtain rights to explore for minerals in the country will be the most suitable method of protecting the public, due regard being made in respect to continuous working conditions.

Conclusion.

Finally, I may perhaps repeat an opinion which I have already expressed, viz., that the extent and distribution of the various mineral belts in Egypt are such as to warrant the expenditure of capital in their development; that the economic conditions existing are good, but that it will take at least ten years of active prospecting and development to prove the commercial possibilities of the many mineral belts. Outside of the heavy minerals and gold, there are, in my opinion, very considerable possibilities in the deposits of phosphates and nitrates, chiefly for internal consumption, and also in the various building stones available in the Eastern Desert. The latter occur in great variety, and are many of them of exceptional beauty. I hope that in the near future it may be possible to arrange for an exhaustive inquiry into the above.

After this year I trust it will be possible to issue a yearly Report dealing with each section of the country, with details concerning the different mines being operated, and a general description of mineral deposits existing, and the local economic conditions prevailing.

(Signed) JOHN F. WELLS.

January 3, 1906.

Inclosure 4 in No. 1.

Upper Nile Projects.

NOTE BY SIR WILLIAM GARSTIN, G.C.M.G.

THE Soudan branch of the Egyptian Irrigation Service came into existence on the 21st December, 1904.

The work of the last year largely consisted in organizing the service, but a great deal of survey and levelling was accomplished, and Mr. Dupuis, the Inspector-General of the service, and his staff have made an excellent start. Their work for some time to come will chiefly lie in the direction of the collection of information necessary to permit of a close study being made of the different projects proposed for the increase of the water supply of Egypt, and for the introduction of irrigation upon a regular and comprehensive system into the Soudan. Many of the problems to be solved are intricate, and will entail the collection of a large amount of data, which will probably take some years to acquire. The prosecution of such study in a country like the Soudan is not easy, owing to the vastness of the area, the unhealthiness of the climate, and the difficulty connected with labour, transport, and supply. In addition to the work of survey and levelling, a series of regular discharge measurements has to be instituted of the river and its affluents. Gauges for the registration of the water-levels have to be erected and houses for the staff have to be built. Thanks to the assistance which has invariably been rendered, to the fullest extent, by the Governor-General and all his district officers, a very great deal of work has been got through—even in the first year—and there is every hope that by the end of 1906 very considerable progress will have been made in the direction of acquiring information.

Two steamers were ordered from England for the use of the irrigation service; unfortunately, the barge conveying the different portions of both these boats to Wadi Halfa was sunk in the Nile, during the flood, near Naga Hamadi Bridge. There appears to be but little hope of their being ever recovered. Other steamers, to replace them, are now under construction, but this accident will involve a loss of at least six months' time, and the service will be greatly handicapped during the present working season.

The work of last year may be briefly described:—

One party carried out survey operations in the neighbourhood of Kassala, with the object of studying a project for improving the irrigation of the lands bordering the River Gash. This work was so far advanced last summer that a start was made with the works before the end of 1905. This project, which only forms a part of the whole, is for the irrigation of some 10,000 acres of land. It is estimated to cost £ E. 20,000.

Three more parties were occupied in surveying and levelling the Gezireh, *i.e.*, the tract lying between the White and Blue Niles.

The fifth party was engaged in carrying a line of levels and a rough survey across the country lying between the Sobat Junction and Bor, in connection with the proposal to cut a new channel for the Upper Nile between these two points and thus to avoid the great swamps. In order to obtain an idea of the nature of this tract, Mr. Dupuis himself, accompanied by Captain Wilson, of the Soudan Civil Service, rode across it in February of last year. He describes it as a level, grass, and bush-covered plain, sparsely inhabited, and, though liable to inundations in the rains, entirely free from swamps and almost waterless during the dry months of the year. Owing to exhaustion of supplies and difficulties about water, the survey party was obliged to turn back, after having completed about one-third of the distance. It is impossible, therefore, as yet to state what the general slope of the country between the two points will prove to be. The levels, as far as they go, show a slope from south to north of about 7 centim. per kilom. It is hoped that it may be found possible to carry the line of levels right across during the current season.

In addition to this work, the same party ran a line of levels up the Nile from Taufikia (Sir Samuel Baker's old station on the White Nile), to a point some 70 kilom. up the Bahr-el-Zaraf.

Last year's work in the Gezireh consisted of two lines of levels, one up the Blue Nile to Famaka on the Abyssinian frontier, and the other up the White Nile to Goz Abu-Goma. From this last place a check-line connecting the two was carried across to Sennar.

These two lines, in Mr. Dupuis' opinion, prove that the construction of a great canal for the irrigation of the Gezireh is a feasible work. It would, however, be a costly one, as the canal would have to take off the river very far south, probably somewhere in the vicinity of Karkoj, and a barrage would have to be constructed on the Blue Nile itself.

A certain amount of study was given last year to the Roseires Cataract, with a view to the possibility of constructing a storage reservoir there at some future time. This question, which is in no way an urgent one, will, however, require a considerable amount of further study. The above represents the work done previous to the rainy season of 1905.

In November, the survey parties again commenced work, both on the Gezireh and on the line of levels from the Sobat to Bor. Until they come in and the results of their field work have been checked and calculated, it is needless to do more than state this fact.

Substantial masonry gauges have been erected at important points upon both rivers, such as Mongalla, Bor, and Taufikia on the White, and Roseires on the Blue Nile. Each year, the numbers will be added to, and it is hoped that in time good masonry gauges will be built at every necessary point upon the two branches.

A very considerable amount of work was done last year in the shape of discharge measurements of the two rivers and their tributaries. Mr. Tottenham obtained a very complete series of observations of the Bahr-el-Gebel—in the sudd region—during last year's flood. Mr. Grieve also visited the Settit River, on the frontier of Abyssinia.

The Inspector-General of Irrigation has occupied himself, in consultation with the Soudan Government, upon the important questions of forming regulations for water-lifting appliances in the Soudan, and upon divers other points, directly or indirectly concerning irrigation in that country.

The house and offices under erection at Khartoum have made good progress. The health of the staff has been excellent throughout the year, with one exception, namely, one of the surveyors became mentally deranged. As the leave rules granted are liberal, it is to be hoped that this satisfactory state of things may continue.

All the proposals connected with the White Nile will involve the use of special dredging plant, as it is impossible to obtain labour in sufficient quantity in the remote regions in which the works will lie. As, in the United States and in Canada, much attention has been devoted to the construction of specially powerful hydraulic dredgers, I obtained the consent of the Egyptian Government to depute Mr. Dupuis to visit these countries and study the different types of dredgers there in use. He did so in the autumn of last year, and his report will be submitted to the Government when presented.

Altogether Mr. Dupuis and his staff have good reason to congratulate themselves upon the result of their first year's work.

The total expenditure incurred by this Service in 1905, not including the cost of Mr. Dupuis' mission to America, was £E. 27,467.

(Signed) W. E. GARSTIN.

January 13, 1906.

Inclosure 5 in No. 1.

Memorandum by Sir Charles Scotter on the Organization and Working of the State Railways.

Cairo, January 22, 1906.

I FIND that nearly all of the principal recommendations of Lord Farrer's Commission as to the additional accommodation at stations, improvements in the permanent way, signalling and interlocking arrangements, and additions to railway stock are being carried out, and with those recommendations I thoroughly concur.

I have travelled over a large portion of the State Railways and have inquired fully into the present organization and system of working, and the impressions I have formed, and the recommendations I have to suggest, will be found in the following notes :—

The executive staff of the Railways should consist of the following:—

General Manager.
Traffic Manager.
Chief Mechanical Engineer.
Chief Engineer of Way and Works.
Goods Manager.
Accountant.

The General Manager.—Major Johnstone, R.E., has acquired an excellent knowledge of the methods of working British Railways, and is, and has been for some time introducing those methods into the working of the State Railways.

He has—evidently from personal inspections—a thorough knowledge of the districts served by the Railways and the requirements of those districts.

The General Manager should, however, have a competent Chief Assistant. This Assistant should be able to speak the language of the country, have had some experience on the Egyptian Railways, and it would be of advantage if he were acquainted with the routine of a General Manager's office in England.

The General Manager would thus be relieved of detailed work in the office, and be able to give more time and attention to important questions of policy, and to the new works, alterations and improvements now so extensively being carried out.

It is also essential that he should have ample time for personal conferences with officers of the Railway, as questions of importance arise almost daily.

The Traffic Manager: Captain Blakeney.—This is an important and responsible position. The movement of all traffic, passengers and goods, is under his direct control, and he has to deal with the Traffic Staff.

The system in operation in Captain Blakeney's office for dealing with the movement of traffic and all the details in connection therewith, and the distribution of rolling-stock, is on the best British methods. The rules and regulations issued to the staff are practically the same as those issued to the staff on all English Railways, and are an immense improvement on the rules and regulations previously in force.

The division of the Railway into districts with Superintendents in charge thereof seems to me to be satisfactory. These Superintendents report direct to, and are under the supervision of the Traffic Manager.

I strongly recommend additional travelling Inspectors, and those Inspectors should be natives who have had some training either in one of the General or District Superintendent's offices.

It would, I think, be good policy if the State would, as an experiment, spend about 500*l.* to 1,000*l.* in sending two or four of their most promising native clerks to England so as to enable them to obtain a general knowledge of train and traffic working on English Railways. The experience they would thus gain would be most useful and beneficial to the State Railways, and I would gladly arrange for such pupils being trained under experienced officials of the London and South Western Railway Company, if my suggestion is adopted.

As the Railway is practically not fenced and there are so many level crossings, and as many parts of the railways are used by the natives as a highway, excessive speed and overloading of trains should be avoided, and working by pilot-engine should only be resorted to under very special circumstances, as the sand and dust caused by the pilot-engine render it difficult for the driver of the second engine to see the signals and thus work with due and proper caution.

Locomotive Superintendent: Mr. Trevithick.—Mr. Trevithick should more properly be described as Chief Mechanical Engineer, as he is not only Locomotive Superintendent, but Carriage and Waggon Superintendent, and also in charge of the electric works.

The shops, tools, and machinery are all in excellent order and well up-to-date, and the organization in the various departments is complete.

The foremen of each shop seem to me to be well trained and experienced men.

Hitherto the renewals of rolling-stock have not been upon any percentage basis, and I suggest that, in addition to the cost of ordinary repairs, a fixed percentage of locomotives, carriages, and waggons should be renewed each year and charged to the revenue of that year.

The type of engine, carriage, or waggon thus renewed should be arranged with the Traffic Manager and approved by the General Manager, but this remark applies merely to the class of engine, carriage, and waggon. The specifications in all cases should be prepared by, and on the responsibility of, the Chief Mechanical Engineer.

I think 3 per cent. of the engine stock and 4 per cent. of the carriage and waggon stock would be fair and reasonable for renewal each year.

Engineer, Way and Works: Mr. Verschoyle.—The staff of this office is at present fully occupied with the new works and alterations already authorized.

The signalling and interlocking of the railways should be pushed forward as fast as possible in the interests of safety.

The Traffic Manager has arranged for the proper training of suitable men to act as signalmen.

I would suggest that a bonus system be adopted, the same as on the railways in England. When a signalman at important stations and junctions has performed his duties without complaint for six months, it is customary to give him a bonus of 2*l.* 10*s.* each half year, and, considering that the safe working of trains largely depends upon these men, I would suggest a bonus under such circumstances should be one of the conditions of employment of signalmen.

Flat-bottomed rails of about 90 lb. are best adapted for the traffic in Egypt, and should, I think, be the standard rail.

I found the permanent way on all parts of the system over which I have travelled in very good condition, with the exception of 5 or 6 miles which requires renewal on the Suez line. The material for this work is on the spot, and the work will be taken in hand at once.

The plans or charts which I have seen showing the renewals and reballasting completed up to this date clearly indicate the great progress made since Lord Farrer's Report. I believe only about 100 miles of railway now remain to be dealt with.

In addition to ordinary maintenance and renewal, the revenue of each year should be debited with a fixed percentage of renewals of permanent way, and Mr. Verschoyle should report as to what percentage, considering all the conditions in the country, is fair and reasonable.

Goods Manager.—Captain Hall is at present working with and under the Traffic Manager.

On every railway in England the Goods Manager is an independent officer and responsible only to the General Manager, and I suggest that Captain Hall should be placed in a similar position.

The rates for goods and minerals, no doubt largely governed by water competition, seem to me fair and reasonable, and the working of the Goods Manager's department is practically on the same lines as any similar office on the English railways.

I may point out, as showing the importance of this position, that more than one-half of the gross revenue of the railways is for goods and mineral traffic.

The Accountant: Mr. Sheppard.—The work in the Accountant's office has lately undergone revision.

Every statistical detail of every department is recorded in the office.

The returns supplied by the Accountant's office and printed are more numerous than required by any English Railway Company, but this may be a necessity of State ownership.

The system of checking the stations' accounts and dealing with the cash receipts is precisely the same as on British railways.

The stores' accounts are properly kept, and stock is taken at regular intervals, when old material and obsolete stores are dealt with at scrap prices.

From the remarks I have made it will be seen that I consider the present organization and working of the railways call for no radical changes in the executive staff.

The improvements recently made and those which have been ordered will, in course of time, bring the condition of the railways into a position which will then compare very favourably with European railways generally.

In times of pressure there will always be complaints as there are not only in England, but everywhere else. Such complaints will, however, be reduced to a minimum when all the rolling-stock now ordered is brought into use and the new works are completed.

The conditions in Egypt are such as to prevent a proper and fair comparison being made with other railways, but all the tests I have made are, if anything, in favour of the State railways.

The working expenses are 55 per cent., as compared with 60 per cent. in England.

The receipts per train mile and the earnings per vehicle, both passenger and goods, are in excess of such earnings on British railways.

Many of the difficulties arise from the inadequate accommodation for dealing with the traffic originating and terminating at Alexandria. The port authorities, however, are extending their quays and generally improving the accommodation of that port. New sidings are being laid and new sheds erected, and the access to the Gabbary Goods Yard improved by the removal of the old Gabbary Road bridge and the substitution of a new iron structure, the contract for which, I understand, has just been let.

Three or four additional lines under this bridge, coupled with new sidings now being provided, will give great relief to the congestion at this point, and obviate many of the delays now inevitable.

The question of separate accounts for capital and revenue is under the consideration of the Financial Adviser, as mentioned in his last Report.

The practice in most of the large Companies in England is to charge all new and additional works and additional rolling-stock to capital, unless the cost is under 200*l.* If any new work costs less than that amount, the cost is charged to revenue, but if above 200*l.*, it is charged to capital.

The Traffic Manager, whose position I have already referred to, should, I think, be placed on an equality as regards salary, &c., with the other officers of the railway, and I suggest that the three principal officers under the General Manager—namely, Traffic Manager, Chief Mechanical Engineer, and the Engineer of Way and Works—should, as far as salary is concerned, be placed in the same position.

Officers' meetings, to be attended by the executive officers, should be held periodically, presided over by the General Manager. Each officer should, before the meeting, give notice in writing to the General Manager of any subjects which it is his intention to bring forward for discussion. Proper records should be kept of the subjects discussed, and the Minutes of such officers' meetings should be submitted for approval or otherwise to the Supreme Council.

I think that the Egyptian State Railways should all be of one gauge.

Having travelled over the Luxor and Assouan Railway, my attention was drawn to the great development taking place at Kom Ombo, and also the largely-increased hotel accommodation at Assouan. Even now, I am told, about eighty trucks a-day have to be transhipped at Luxor. Moreover, two classes of rolling-stock would be obviated by the adoption of an uniform gauge.

The General Manager should attend all meetings of the Supreme Council, whose duties will really be similar to the duties now exercised by the Directors of English railways—viz., to carefully criticise all capital expenditure and generally direct the policy of the railway without interfering in the details of management for which the General Manager and his officers should be responsible.

I am satisfied the Council need have no anxiety as to the working of the railway, as they have in their executive officers capable and reliable men in whom they may place the utmost confidence.

(Signed) C. SCOTTER.

Inclosure 6 in No. 1.

British, Austrian, German, and American Locomotives.

MEMORANDUM BY MR. F. TREVITHICK.

IT may be remembered that in 1901 the Mechanical Department of the Egyptian State Railways made certain trials between locomotives of similar weight and power but respectively of British and American design and make. These trials were exhaustive and complete as regards coal consumption, but included neither the results with reference to the amount of oil used nor, as the engines were new, the cost of repairs.

From the date of trials up to the 31st December, 1905, these twenty engines have averaged over 137,000 miles each, and we are, therefore, in a position to give reliable figures from our registers with regard to the consumption of oil, and also, as all the engines have passed through the shops for their first general repairs, we can form a

good idea of the respective cost of maintenance of each manufacture. The results of a comparison of the two makes of engines are shown in the following table:—

AVERAGE cost per engine for 137,000 miles.

	Oil.	Repairs.	Total.
	£	£	£
British	134	753	887
American	128	830	958

Following up the subject of the comparative merits of different manufactures of locomotives, a statement of our experience with British, German and Austrian engines, built to our design, may not be devoid of interest.

In the summer of 1901, Neilson supplied us with ten engines, and these were followed, in the first half of 1902, by fifteen engines from Henschel and Son, of Cassel, and ten from the Staatseisenbahn, Vienna. These thirty-five engines, constructed to the same design, and identical so far as the eye could judge, have been stabled at the same depôt, engaged on similar work, and attended to under similar conditions.

Up to the 31st December, 1905, they have run an average exceeding 120,000 miles, and thus have all passed through the shops for their first general repairs. Taking the average mileage of each engine as 120,000, the results of a comparison of the three makes with regard to the cost of coal, oil, and repairs are as follows:—

AVERAGE cost per engine for 120,000 miles.

	Coal.	Oil.	Repairs.	Total.
	£	£	£	£
British	2,271	117	660	3,048
German	2,290	108	685	3,083
Austrian	2,362	105	708	3,175

Cost of coal estimated at 23*s.* per ton.

When it is considered that these figures have to be spread over three years they do not show much difference in cost of working and maintenance.

It may also be interesting to compare the average number of miles that these engines ran before entering the shops for their first general repairs, and their average coal consumption in pounds per mile up to that time, as shown in the following table, which is compiled from our registers:—

	Miles.	Lbs.
British	59,684	37·02
German	59,804	37·12
Austrian	52,519	38·66

Here again the difference, especially between the British and German makes, is not great, and I may further remark that the drivers, so far as we are aware, have shown no preference for one make of engine rather than another, which argues that there is little to choose between the different makes as regards their hauling and steaming capacity.

To complete these comparisons I give the initial cost of each make of engine.

	Per Engine.
	£
British	3,245
German	2,917
Austrian	2,935

I conclude, therefore, from our experience, that, as regards their working and cost of maintenance, the three makes of engine are practically the same, the slight difference in favour of the British being equalized by the extra initial cost. The finish, however, of the British-made engine is more carefully studied than that of either of the others, and in my opinion is well worth paying for.

As a concrete example of the superiority of British finish I send four pieces of tube which, I think, fully bear out my remark. These sections have lately been sent us, two by the North British Locomotive Company and two by Henschel's firm, as samples of the tubes which they are using for the coal economisers, which they are fitting to certain of the locomotives at present under construction for us. The additional price that each firm is charging for these economisers is the same, and the question of material was left in their hands. It may be well to remark that locomotive manufacturers do not make tubes. I do not know what firm is making those sent by Henschel, but the Weldless Steel Tube Company, Birmingham, is manufacturing those used by the North British Locomotive Company.

Although the difference in finish is so marked and the cost of obtaining so high a standard must be proportionately great, there is nothing tangible to show that, in actual work, the one make of tube would be less satisfactory than the other, and thus an inspector would not be justified in condemning the less highly finished article. At the same time, if a purchaser saw the two makes side by side, I think there is little doubt as to which he would choose even if the better finished article involved additional expense.

Turning to another question, viz., that of delivery, it may be instructive to compare the length of time demanded by the makers in 1901 for the construction of the above mentioned British and German engines, with that demanded by the same makers for similar engines at present under construction.

1901.			1905.		
	Engines.	Weeks.		Engines.	Weeks.
Neilson	15	60	Neilson	15	32
Henschel	10	43	Henschel	30	28

It would be interesting to know the cause of so great a reduction in the length of time of delivery. As is well known, Messrs. Neilson combined in 1903 with Messrs. Dubbs and Messrs. Sharp Stewart to form the North British Locomotive Company, and thus greatly increased the output capacity of the works by enabling them to concentrate their efforts.

I do not know definitely to what extent Henschel's firm has increased its capacity during the same period, but I believe that considerable additions have been made to the workshops. There is, of course, another important factor, viz., whether, at the time of booking the later order the firms were comparatively free from other work, and it must also be borne in mind that in the 1901 order the construction of the engines was new to both firms, whereas in the 1905 order the firms were conversant with every detail. Perhaps also these firms have now realized the importance of quick delivery.

(Signed) F. H. TREVITHICK.

January 26, 1906.

Inclosure 7 in No. 1.

Memorandum by Mr. Machell on Crime in Egypt.

THE extraordinary prosperity of the fellaheen has whetted their appetite and created in them a lust for gain. This breeds envy, malice, and hatred. The greater amount of crime in Egypt to-day can be directly traced to these causes.

Pulling up and burning crops, burning water-wheels, and poisoning cattle are far too common. A large number of cases, which figure as crimes and misdemeanours, are the outcome of personal quarrels about water, crops, or land, to which a criminal colour has been given by the complainant in order to give his case importance, and also to save himself the expense of bringing a civil action.

A large number of "attempted murders" are cases of men who have been shot when out stealing or destroying crops, and who invent a story to account for what has happened. The persons who are shot naturally prefer to remain unknown, and, without any evidence on either side, it is difficult to obtain proofs.

Many alleged "attempted murders," too, are really accidents. At weddings, loaded guns are freely discharged, and, if any one is shot, a story of brigandage is invented for the *procès-verbal*.

Recently, a Bedouin, shooting at a jackal, missed, and shot a sleeping guest. A complete story was subsequently concocted, attributing the act to robbers.

Again, a Sheikh of Ghafirs, going his rounds with a patrol, met one of his own men, whom he mistook for a thief, and shot at close range. A story of brigandage on a considerable scale was related and never disproved.

One of my Inspectors attributes 70 per cent. of these crimes to quarrels about women, water, and land, while he believes that at least 10 per cent. are due to accidents.

Sometimes people of no particular importance are shot in order to get the Omdeh into trouble.

All this indicates how necessary it is to go below the surface and understand what statistics will never show.

Spite, as I have so often stated, plays by far the most important part in the manufacture of crime, and I fear that it is this feeling which is usually uppermost in the mind of the fellah. The people have yet to learn that their interest lies in cordially co-operating with the Administration in suppressing criminal acts, instead of using the machinery of justice as a means of wreaking their private revenge, and remaining wholly indifferent to the public interest.

A quarrel in a village between rival families or factions is a sure cause of crime, and, unless it is possible to find an Omdeh who is capable of taking charge, it is impossible to check it.

The semi-nomadic Bedouin in Behera, and in certain other provinces, is a great source of anxiety to the fellaheen. He swaggers and boasts about his bravery until he finds an easy prey in the timid fellah who has no confidence in himself, and who never, like the Bedouin, combines with his fellows.

A large number of crimes are of the kind described in French as "crimes passionnels." Murders are still common, and human life is held of little value.

In Dessouk Markaz, lately, a ghafir shot at his Sheikh because he had insisted upon his keeping awake. The Sheikh roused him twice, and, when he passed by the third time, the ghafir deliberately fired at him.

In another case, a small boy refused to give some dhurra to some Bedouins, who proceeded to beat him. Some fellaheen came to his assistance, and one was at once shot by a Bedouin, who said that his gun had gone off by accident.

Among the Bedouins, it is contrary to etiquette for people between whom disputes are pending to meet each other carrying arms. This rule having, on two recent occasions, been transgressed, in one case murder, and in the other a murderous assault, was the result.

At Embaba, only a few days ago, a man asked a woman for some radishes out of her field. She refused, and a dispute ensued, in which the woman's father joined. A neighbour tried to separate the parties; the man who was the original cause of the quarrel turned upon him, with the result that the former was killed by a blow of a naboot.

Family feuds are a fruitful source of crime. The following is a curious example:—

An Omdeh's nephew, who was also his son-in-law, committed an assault upon the Omdeh's brother and was sent to prison. On his release, he arranged to have his cattle "stolen with violence," and to accuse his uncle's men. The cattle were driven away and hidden before the pretended attack took place. His own ghafir was to be beaten, and other evidence procured to satisfy the Court. Unfortunately, the blows were too severe, and the ghafir died. This upset the whole case, and the cattle had to be killed and buried. Every one knew the facts, but the case had to go before the Courts, with, of course, no result.

Remarriage of a father is sometimes a cause of murder by the sons, with or without

their mother's connivance; and cases are seen in which young children are murdered in order to spite their parents. Only a few days ago, a small boy was strangled and his body thrown into the latrine by his grandmother to spite his mother, with whom she had quarrelled. Conviction in all these cases is extremely difficult. The feeling of the family is that it is sufficient to lose one of their number, and that "the living is better than the dead." The same feeling is especially strong in crimes connected with the honour of women, when it is considered not only excusable, but right, for the family to take the law into its own hands.

The interminable delays in civil suits account for a large number of murders and serious assaults—especially in connection with cases which involve disputes as to ownership of land in Upper Egypt. These cases are frequently adjourned time after time and the litigants are sent for to appear before the Court until perhaps a year may have passed without result. The moment arrives when the land ought to be sown. Both sides are equally convinced of their rights, and ultimately perhaps fight it out.

Professional crime, as we understand it in England, is rare in comparison, and is much more easy to deal with.

The brigand who used to terrorize the country-side has gone. Blackmailing cattle-lifters, however—well-known people who openly fatten upon the cowardice of their countrymen—still exist, and it is easy to commit small burglaries. Most people keep their money and their valuables in their houses, and I always wonder the number of thefts is not greater.

The disinclination on the part of the victims to give evidence is still very marked. Fear of revenge and lack of confidence in the Courts are jointly responsible for this, and the thieves make their calculations accordingly.

Although the Assize Courts in Lower Egypt are now contributing to improve this state of things, it is unfortunate that thefts, which are misdemeanours, have still to be tried in First Instance and Appeal.

Evidence for the defence is abundant, but even the victims themselves often conspire to defeat the prosecution. As an example the following is interesting:—

Some of the cattle belonging to a wealthy land-owner were stolen from his farm. Inquiry and search were made in vain, and the owner, in the course of a periodical visit to myself, complained bitterly of the lawlessness of the country and the inefficiency of the Administration. Yet all this time he and his son were actively arranging through an intermediary for the restitution of the cattle, with the result that as soon as the required amount was paid, they were all returned. The Mamur saw that this had been done by compounding, and accused the son, who met him with an indignant denial. Finally, father and son had to admit it, but absolutely declined to reveal the name of the intermediary. Although the police ultimately discovered this, as well as the identity of the thieves, it was impossible to proceed with the case in the teeth of the strongest opposition on the part of the persons, who in any other country would have been the plaintiffs.

There is a great difference between the characters of the inhabitants of Upper and Lower Egypt. In Assiout and Girgeh, if a man is annoyed with another, his inclination is to attack him on the spot with whatever weapon comes first. The tempers of the "Saidis" are like volcanoes, which break out violently when least expected, and consequences are completely disregarded; whereas, in Lower Egypt, murder and violent assault are replaced by destroying crops and water-wheels and poisoning cattle, or, in important cases, getting an adversary waylaid and murdered by the local hooligans, who are ready to undertake anything if sufficiently well paid.

I have before me many cases of murder in Upper Egypt which show the reckless disregard entertained by the perpetrators, both for the life of others and the consequences to themselves. Of the murder cases committed in Assiout Province this year, 37 were for vengeance, 20 free fights, 22 assaults resulting in death, 4 poisoning, 9 thieves shot when stealing, 1 body found in river, 3 newly born children, 3 missing.

(Signed) P. MACHELL.

January 15, 1906.

No. 2.

The Earl of Cromer to Sir Edward Grey.—(Received March 17.)

Sir, *Cairo, March* 8, 1906.

I HAVE the honour to submit my Report on the affairs of the Soudan for the year 1905. It is based on information afforded to me by Sir Reginald Wingate and the officers serving under his command.

I. GENERAL.

1. Introductory.

Those visitors to the Soudan who merely traverse the waste of burning sand which lies between Wady Halfa and Berber, or that equally inhospitable desert—now spanned by modern science—which separates the Nile from the Red Sea, and who at the same time remember that in almost every direction there lie vast arid tracts of a similar character, at present barely capable of supporting animal life in any form, may well be pardoned if, with Gordon and Stewart—the pioneers and martyrs of Soudan civilization—they jump to the conclusion that the country is, and will always remain, a "useless possession." Yet, year by year, it is becoming more and more apparent that this conclusion is erroneous.* The main utility of the Soudan, in so far, at all events, as Egypt is concerned, does not, indeed, depend on its capacity for local development. It is derived from the fact that the Nile runs through the country, and that complete control over that river throughout its course is a matter of vital importance to the Egyptians. Were it not for this all-important consideration, the redemption of the Soudan from a state of savagery and barbarism, however desirable in itself, would not, in my opinion, be an undertaking on which the expenditure of Egyptian lives—in which term I, of course, include those of foreigners who are in the service of the Egyptian Government—or of Egyptian treasure, would be justifiable. Incidentally, however, in the execution of a policy which is imposed on the Egyptians and their rulers as an economic and political necessity, the question of the local development of the Soudan acquires an importance in itself, irrespective of the reasons which originally forced it into prominence.

I propose, in the following Report, to show in some detail the stage of development to which, after seven years of continuous effort on the part of a small, but very capable, band of officials, ably directed by Sir Reginald Wingate, the Soudan has now attained. The work which lies before them and their successors is still very arduous. For the moment, more cannot be said than that the initial difficulties inherent in the situation have for the most part been overcome. Yet no impartial judge will deny that the measure of success already attained is far greater than could reasonably have been anticipated seven years ago, or that there is good hope of attaining results still more satisfactory within the near future. If the utility of the Soudan, considered on its own productive and economic merits, is not already proved to the satisfaction of the world—if it is not already clear that the reoccupation of the country has inflicted, more perhaps than any other event of modern times, a deadly blow to the abominable traffic in slaves, and to the institution of domestic slavery, which is only one degree less hateful than that traffic—it may confidently be asserted that we are on the threshold of convincing proof.

That partial proof which is already forthcoming has not, indeed, been obtained without sacrifice, both in money and also—which is of far greater importance—in valuable lives. Africa, more by reason of its climate than of the temper of its

* An intelligent American observer who visited the Soudan in 1905, and went carefully into the prospects of cotton growing, cattle breeding, and mining, wrote as follows: "The truth is, the Soudan is as much an undeveloped country as our own Mississippi Valley a hundred years ago, and with a very much wider range of possibilities already established."

population, continues to levy a heavy toll on those strangers who, whether in the pursuit of gain, or, as is the case in the instance now under discussion, at the call of duty, seek to penetrate far into its hitherto well-nigh inviolate precincts. From 1901 to 1904, both inclusive, 11 British officers,* 2 British non-commissioned officers, and 32 Egyptian or Soudanese officers died. I have now, to my infinite regret, to record the deaths, during 1905 and the early part of 1906, of Major Boulnois, Lieutenant Fell, Captain Sterling, Colour-Sergeant Boardman, Mr. Barron, of the Geological Survey, Mr. Marsden, Deputy Inspector at Senaar, and six Egyptian and Soudanese officers.

This is a heavy death roll, when considered in relation to the small number of those employed,† and when it is also remembered that those who died were all men in the prime of life, specially selected for their physical strength and for their presumed capacity for resisting disease.

Neither does the number of deaths adequately represent the amount of national and personal sacrifice, for from 1901 to 1905, both inclusive, 10 British officers, 1 British non-commissioned officer, and 23 Egyptian and Soudanese officers were invalided from ill-health. Further, it cannot be doubted that many civil and military officials, who have neither succumbed nor been invalided, have suffered severely in health from the praiseworthy zeal with which they have performed their work under conditions of special hardship.

I will not deny that the prize is worth the cost, but there can be no manner of doubt that it is being dearly bought. All that can be said to console the mourners over the loss of these valuable young lives, which the onward march of Soudanese civilization has claimed as its victims, is that, as I firmly believe, their friends and relatives will not have died in vain, for the noble cause in which they laid down their lives is bound ultimately to triumph.

2. General Condition of the Country.

In an oriental country there is no better test of the general condition of the population than that to be found in the number of petitions addressed to the highest authority in the land. Sir Reginald Wingate very wisely, therefore, causes a careful register to be kept of all the petitions which are addressed to him. In 1900, he received no less than 4,074 petitions. Last year the number had sunk to 1,108. It is especially satisfactory to note that only seven complaints were received having reference to the taxation; and in these no complaint was made that the taxes were too heavy, but only that, by reason of want of rain, the crops had been bad. As regards slavery, also, the number of petitions has fallen from 40 in 1902 to 16 in 1905, of which, one only was a complaint of kidnapping. The only subject in respect to which there is an increase of petitions is in the category classified as "Property." Of these, 172 were received in 1905, as compared to 105 in 1902. The reason for this increase is that, owing to the great rise of price in the lands adjoining Khartoum, a number of claims, most of which could not be substantiated, have been put forward. I should add that Mr. Shaheen, the Secretary who keeps the record of the petitions, concludes his report in the following terms:—

"Most of the petitions received were reasonable, and not in a single case did any of the petitioners show a desire to give a bribe or a present."

For the rest, I cannot, I think, do better than quote the high authority of the Inspector-General. Slatin Pasha writes as follows:—

"The justice of the Government is recognized by every soul in the Soudan, by sedentary natives as well as by the nomad Arabs, and I have never heard that even the losing party suspected Government officials of having been influenced by private reasons in giving a decision or sentence. They have often appealed, but they have never complained of injustice. Although there may still be sometimes a little dissatisfaction

* Of these, one was murdered, one was killed by an elephant, one died partly from wounds received in action and partly from disease, and the remainder died of disease, mostly fever.

† The death rate, I should observe, has been proportionately far higher amongst the British than amongst the Egyptian and Soudanese officers and non-commissioned officers. I trust that it will not be inferred from anything I have said that residence everywhere in the Soudan is attended with any special risks to health. Such is very far from being the case. The greater part of the country is certainly no more unhealthy than Egypt. The high death rate, to which allusion is made above, is almost exclusively due to the prevalence of fever in the Equatorial regions. I beg to refer to the remarks made by Dr. Christopherson, which I have quoted in this Report. See Chapter 33, entitled "Public Health."

amongst the population, if an order is given which does not fit in with their immediate views and inclinations, they soon realize that such orders are issued in their interest and in that of the public welfare. The people are daily gaining more confidence in our good intentions, and are convinced that we do our best to establish security in the country. The population is becoming more active and public wealth is increasing. Whereas, in former days, a wealthy man was afraid to draw upon himself the attention of the authorities and thus be exposed to their despotic measures, nowadays it is just the contrary. Everyone wishes to be wealthy, or, at least, to be considered as a man of means, because he knows that on account of his wealth he may be consulted by the Government officials on public questions, and be able to exercise some degree of influence. The people give a great proof of their confidence in the Government in sending their sons to Government schools. Practically all the tribes of the Soudan are represented, and there are so many applicants that we are forced to refuse a certain number.

"If the Arab population gives proof of genuine progress in civilization by better built houses, bigger and cleaner huts, and a larger demand for furniture, which was unknown before, so also the pagans inhabiting the southern part of the Soudan prove their advance in their own way. Travelling now on a steamer along the White Nile, one finds men and women, who used only to wear beads and brass wire, in possession of clothing, and they hesitate to meet you in their former state of nudity. In former days, on seeing a steamer stopping at the bank, they used to run away and flee into the interior, fearing to be robbed or taken away as slaves. Now, they meet the boats, greeting officials and travellers, and try to sell their corn, chickens, &c., at as high prices as possible. A great number of natives, especially of the Shilluk and Dinka tribes, already know the value of money and goods, and the golden days when one could buy a bull or a sheep for some beads worth a few pence have passed away. This is, I think, a clear proof of the progress of civilization in this part of the world.

"Public security prevails throughout the whole of the Soudan. Considering the extent of the country, murder and highway robbery are rare; there is comparatively little thieving, and that nearly always amongst the natives and not from the white man. Our police is sound and good, and the Sheikhs and Omdehs of villages and tribes, who are the pick of the population, are responsible for safety and tranquillity in the country. In consequence of this, there is no more slave-raiding on a large scale, and Governors of provinces, who are working hand in hand with the Slavery Department, state that only isolated cases now occur.

"The conclusion at which I have personally arrived is that, by treating the people with justice and making allowances for their habits and customs, we have succeeded in gaining their confidence, and that they have now ceased to be indifferent to our efforts, and are willing to assist us to attain our object—peace and prosperity in the Soudan."

3. Religious Disturbances.

It is satisfactory to be able to report that during the past year little or no trouble has been occasioned by religious agitators.

"In this connection," Sir Reginald Wingate writes, "I may mention that I continue to receive most valuable assistance from the body of educated and enlightened Ulema and religious authorities in the country who, although admitting that the general improvement which has taken place in the lot of the people tends to lessen the danger of a recurrence of fanaticism to any great extent, still acknowledge that the superstitious ignorance which pervades the mass of the population renders it imperative on the Government to neglect none of the precautions requisite to guard against such a danger."

Two insignificant cases only are recorded during the year 1905. In July last, a Fiki from Abu Deleik, named Hassan Wad Hassouna, proceeded to Dameira in Northern Kordofan, where he gathered a small following and took it upon himself to settle disputes and religious questions. He was at once arrested and sent to Khartoum, but when it was ascertained that his object was merely to collect money for himself, he was released under guarantee. The second case was that of a religious maniac, who gathered a few ignorant people around him in Omdurman, and would probably have caused a disturbance of the peace had he not been at once arrested. Deportation from the Soudan is probably the most effective deterrent in such cases.

4. Frontier Affairs.

(a.) *Soudan–Erythræan Frontier.*

The relations between the local Italian and Soudanese authorities continue to be in all respects most satisfactory.

The question of how the waters of the River Gash, which rises in Abyssinia and flows through Erythræa into the Soudan, should be handled, now forms the subject of negotiations between the Soudan and Erythræan Governments. There is every reason to hope that some arrangement, which will be satisfactory to both parties, will be made.

(b.) *Soudan–Abyssinian Frontier.*

The destruction of the stronghold of the notorious slave-raider Ibrahim Wad Mahmoud, to which I alluded in my last Annual Report (p. 133), has had a most tranquillizing effect on the country in the neighbourhood of Jerok. The Barun tribe, on whom he had preyed continuously for years, now enjoys comparative rest.

The Soudan Government does nothing to encourage emigration from Abyssinia. Nevertheless, considerable bodies of Abyssinians occasionally pass the frontier. They will probably continue to do so, so long as the administration of the frontier districts of Abyssinia compares unfavourably with that of the Soudan. The situation is one which might cause a good deal of trouble, were it not that the present enlightened Ruler of Abyssinia fully understands and appreciates the difficulties, and is not likely to be influenced by the distorted reports which, possibly, are at times sent to him by local officials.

It is possible that at some future time a slight rectification of the frontier may afford a solution of this difficult problem; but it is most undesirable that any idea that the Government of the Soudan is seeking to extend its territorial possessions at the expense of Abyssinia should gain credence. Such a rectification can only be effected if both Governments approach the question with entire confidence in their mutual integrity, and with a reciprocal desire to do all that is possible to improve the welfare and prosperity of the inhabitants residing within their respective spheres of influence.

With the consent of the Emperor Menelek, the Enclave at Itang, which was granted to the Soudan Government as a trading station, has been abandoned, and the trading post removed further up the River Baro to Gambela. This change has in every respect been beneficial.

(c.) *Bahr-el-Ghazal and Lado Enclave.*

I stated in my last Report (p. 112) that a strong patrol, under the command of Major Boulnois, had been sent into the Nyam Nyam country against Sultan Yambio. I added, in a foot-note, that, at the moment of closing my Report, information had reached me that Major Boulnois had been completely successful in attaining the object of his mission, and that Sultan Yambio had died of the wounds which he had received in action.

It is perhaps desirable that I should now state, at somewhat greater length than heretofore, the circumstances which led up to the dispatch of this expedition, and that I should record its results.

In the autumn of 1903, a small escort convoying a number of presents for Sultan Yambio—the paramount Chief of the Nyam Nyam tribes—left Rumbek, under the command of the late Captain Armstrong, for the purpose of entering into personal negotiations with that monarch and hoisting the British and Egyptian flags in this portion of the Soudan, which up to that time had not been effectively reoccupied. The correspondence, which had previously taken place between Sultan Yambio and the Soudan Government, had been of so friendly a nature that the party was organized more on the lines of an embassy than of a force to meet and overcome opposition Unfortunately, a few marches from Rumbek, Captain Armstrong was killed by an elephant, and the party had to proceed under the command of Colour-Sergeant Boardman.*

* Since deceased from illness contracted in the Bahr-el-Ghazal.

On entering Nyam Nyam territory, the attitude of the natives was noticed to be hostile. The party was dogged in its march by armed bands, whose numbers daily increased, a general attack being only averted by the determined attitude of the little force. Seeing the futility of attempting to carry out his instructions in the face of the ever-increasing opposition, Colour-Sergeant Boardman skilfully withdrew his force by night, and, by covering 120 miles in four days, managed to shake himself clear of the pursuing Nyam Nyams with but few casualties, except in transport animals and baggage, including the presents for Yambio.

In February 1904, a patrol of 100 men and two guns under Captain Wood was again sent to attempt to open negotiations. It was treacherously attacked by a party of Nyam Nyams under Rikta, a son of Yambio, who had professed friendship to the Government, and had volunteered to aid it with supplies and transport. The losses on this occasion were Captain Haynes, who died of his wounds, two men killed, and eight wounded. After the fight, the patrol was unable to proceed further owing to no supplies or transport being available, the natives of the district having all fled. The patrol retired slowly to Mvolo (lat. 6° 6′, long. 29° 58′) in order to keep in touch with the movements of a Belgian Scientific Mission which, with a large armed escort under Commandant Lemaire, had established itself there within Anglo-Egyptian territory. On diplomatic representations being made through London and Brussels, this force withdrew southwards with the intention, as it was thought at the time, of evacuating Soudan territory.

It was evident, after these two attempts, that peaceful negotiations were out of the question, so an expeditionary force of sufficient strength to overcome any opposition likely to be met with was dispatched in order to establish permanently the authority of the Anglo-Egyptian Government in this portion of the Bahr-el-Ghazal.

The force, which was placed under the command of the late Major W. A. Boulnois, was organized in two columns. The Eastern Column, under the command of Captain Sutherland, was ordered to advance from Rumbek viâ Mvolo into the eastern portion of the Nyam Nyam territory, engage the attention of Mangi, the most powerful son of Yambio, and, by enforcing his submission, prevent him from coming to the assistance of his father. The Western Column, under the immediate command of Major Boulnois, advanced on Tembura and N'doruma directly against Yambio himself.

The Eastern Column was concentrated at Mvolo by the 1st January, 1905, on which date it began its advance towards the position held by Mangi. The Western Column completed its concentration at N'doruma—255 miles south of Wau—in the third week of January, and began its advance against Yambio on the 26th of that month.

The Eastern Column marched southwards along the Rohl River, mostly through uninhabited country, till the 30th January, when it came across a post of Congo Free State troops located at Ire (lat. 4° 55′, long. 29° 43′), which Captain Sutherland ascertained were a portion of the "Lemaire Mission" to which I have previously referred. Subsequently, it transpired that Commandant Lemaire had established five posts in Soudan territory. On the 12th February, the column crossed the River Meridi and proceeded westward to Mangi's village, where it effected a junction with the Western Column on the 25th. There was practically no serious opposition on the part of the Nyam Nyams to the advance of the column. This was undoubtedly due to the presence of Congo Free State forces in their midst, and to a heavy defeat which these forces had inflicted on them when attacking one of their posts a short time before.

The Western Column, on the 30th January, reached Zugumbia. On the 3rd February, the Mounted Infantry scouts located an ambush of the enemy, who retired after a short skirmish. On the 6th, a large force of the Nyam Nyams was found massed to oppose the column, but retired on a determined advance being made. On the 7th, Yambio's village was occupied, Yambio fleeing into the bush. On the 8th, a column under the command of the late Lieutenant Fell advanced, located Yambio himself, and dispersed his force after a slight skirmish. That evening, three columns went out to effect the capture of the Sultan. This was successfully accomplished by Major Carter's column. Yambio received a mortal wound in the skirmish, from which he died that night. By Yambio's death the country was relieved from a barbarous and cruel despotism, which had pressed heavily on the people for many years. The event was, therefore, hailed with satisfaction, as was shown by the numbers who in a short time came in gladly to Government. There was no further resistance. On the 22nd February, two companies, under Captain Gordon, were detached from the column to join hands with the Eastern Column, and one company, under Major Carter, was sent to locate the four other Belgian posts reported to be established in Soudan territory. The expeditionary force, although not exposed to any heavy fighting, underwent considerable

hardships and arduous marching on short rations under difficult climatic and other conditions. The presence of the Tsetse fly caused heavy mortality amongst the transport animals. It was only possible to carry the absolute necessaries of life with the columns. "The bearing and behaviour of the troops," Sir Reginald Wingate writes, "was excellent, and the cheerful spirit with which the difficulties inseparable from an advance through dense bush were met and overcome, is deserving of the highest praise."

The objects of the expedition, though gained with but little bloodshed, have been completely realized. A large extent of country has been effectively reoccupied by the Soudan Government. The paramount Chief and instigator of hostility to Government is now dead; his sons and the various Chiefs of the sub-tribes have made their submission; permanent posts have been established, and a civilized administration initiated.

It is with the greatest regret that I have to record that Major Boulnois, who was responsible for the organization and leading of the force, and to whom the success which was attained was principally due, died last May at Mvolo of dysentery. Major Boulnois was a very valuable officer. As a leader and administrator he showed himself to be possessed of high qualities, and in his dealings with the Congo Free State officials with whom he was brought into contact he displayed the utmost tact and discretion.

Very shortly afterwards, Lieutenant Fell died at Tembura of blackwater fever. This officer was mainly responsible for cutting a navigable waterway through the marshes of the Jur River. He had much influence with the natives, by whom he was held in high esteem. His loss is greatly to be deplored. Major Boulnois expressed a wish on his deathbed that the very valuable services of Lieutenant Fell to the expedition should be brought to notice.

On the conclusion of the operations narrated above, small garrisons had to be left to form posts for administrative purposes in the Nyam Nyam country, but the fact of armed forces of the Congo Free State being still in the territory between the Congo–Nile watershed and 5° north latitude made it necessary for the Commandants of the respective forces on the spot to come to a *modus vivendi*, which laid down that Commandant Lemaire's "Scientific Mission" should maintain its present armed posts, but that the Soudan Government should maintain the administration of the territory in question pending diplomatic negotiations. Since this arrangement was made, the King of the Belgians has promulgated a Decree attaching the territory between the Congo–Nile watershed and 5° north latitude to one of the administrative districts of the Congo Free State. The Belgian Commandant of the Lado Enclave, as also the Brussels authorities, have, therefore, been informed that all communications from the north viâ the Nile with the Belgian posts on that river will be stopped until such time as the disputed territory in the Bahr-el-Ghazal has been wholly evacuated by the troops of the Congo Free State.

I should add that the effect on the native tribes of the strained relations existing between Europeans in these distant regions is very unsatisfactory. This, indeed, constitutes the most dangerous element in the situation, for—however anxious each side may be to avoid a collision—the local inhabitants will not fail to aggravate the tension and render the continuance of amicable relations more and more difficult. It is, therefore, most desirable that the administration of these districts should be carried on exclusively by the officers and officials of the Soudan Government, and that the Congo Free State troops should be speedily withdrawn.

(d.) *French Congo.*

With the object of opening up trade relations between the Bahr-el-Ghazal and the French Congo, a small steamer was procured for the navigation of the upper waters of the Jur River. Unfortunately, no direct communication by water can be established, owing to the rapids at Raffile. Efforts have been made to blast some of the rocks, but, owing to the numerous operations in progress in other parts of the country, it was not possible during the past year to devote sufficient attention to this work. It is to be hoped that renewed efforts on a larger scale will be made during the current year. The removal of this natural obstacle would enable the products (principally india-rubber) of the eastern portion of the French Congo to be exported viâ the Nile at a greatly reduced cost. The establishment of commercial relations between the French Congo and the Soudan cannot fail to be of great benefit to both countries.

(e.) *Uganda.*

Until the Uganda Railway system is further developed, it will probably be more economical for the Nile provinces of that Protectorate to use the Nile route viâ Khartoum than that down to the east coast of Africa. The trade returns, however, show that for the present no great advantage is taken of the facilities offered by the former of these two routes. Possibly, a more active trade will be established now that the Nile-Red Sea Railway has been opened, and the cost of transport viâ the Soudan consequently diminished.

As regards telegraphic communication, the Uganda authorities are now working their way down the Nile from their last telegraph station, which is at Wadelai. The Soudan Government hopes in a few months to establish telegraphic communication between Bor and Gondokoro; but some time must elapse before it will be possible to connect Bor directly with Khartoum.

(f.) *Darfour.*

Mainly owing to the valuable assistance afforded by Slatin Pasha, the relations between Sultan Ali Dinar and the Soudan Government continue to be most satisfactory. The Sultan appears now thoroughly to understand that the Soudan Government entertains no hostile intentions towards him, and that there is no desire to remove him from his present position. He has abolished many annoying restrictions formerly imposed on merchants, with the result that trade relations have improved. He has also paid his annual tribute with regularity, and appears to have made himself generally more popular than heretofore with his subjects.

5. Missionary Work.

In previous Reports* I have dealt so fully with the policy pursued by the Government, both in Egypt and the Soudan, with reference to missionary work that my remarks on this occasion need be but very brief. Broadly speaking, as regards the Soudan, it may be said that missionary work, properly so called, is forbidden in those provinces which are inhabited by Moslems, but that the field is left open for missionary enterprise in the southern provinces, which are inhabited by pagans.

I have always felt that there was no great difficulty in enunciating the policy, which is, indeed, manifestly dictated by the facts of the situation. The main difficulty was to get it understood, more especially by the inhabitants of the Soudan. It appears, however, that the system adopted of translating my Annual Reports into Arabic, and circulating them widely in the country, has produced some satisfactory results, even in the remote provinces of the Soudan. The Governor of the Blue Nile Province writes as follows:—

"The Mamour of Abou Deleig reports that suspicion as to the attitude of the Government towards the Mohamedan religion existed there amongst the Batahin Arabs until quite recently. It may be of interest to note that the talisman which has conjured it away is, according to his statement, Chapter 37 of Lord Cromer's Annual Report on the Soudan for 1904. That such statements of policy should be able to be read, and their spirit and intention appreciated, in the remotest parts of the Soudan is distinctly satisfactory."

Sir Reginald Wingate also writes:—

"That the policy adopted as regards missionaries is being gradually understood by Europeans and natives alike is, I think, proved by the complete absence of any form of controversy between the various Christian and Moslem religious bodies established in the Soudan. Not only does a very tolerant spirit prevail between the various communities in Khartoum, but I will even go so far as to say that the responsible heads of the religious bodies are, it seems to me, fully convinced of the soundness of that policy, and that they are heartily co-operating with the Government in giving effect to it."

The Church Missionary Society has equipped and dispatched to Mongalla a party of three missionaries accompanied by a skilled agriculturist and mechanical engineer. I do not doubt that the presence of this small party will exercise a beneficial influence on the natives who come within its sphere of work. I should add that the Austrian Mission

* See, notably, "Egypt No. 1 of 1905," p. 139.

s affording valuable assistance to the Government in the matter of technical education in the Bahr-el-Ghazal Province.

Slatin Pasha makes the following remarks, in which I fully concur :—

"Missionary work amongst the pagan tribes is a civilizing one. They begin by teaching these savages the elements of common sense, good behaviour, and obedience to Government authority, rather than religion. As far as I am aware, they have not baptized any one yet, nor have they converted any of them to Christianity, but there is no doubt that they have had an improving effect on the character of the people amongst whom they have settled, and they have certainly gained their confidence."

6. Explorations.

During the past year, comparatively few exploration parties have traversed the country, whilst the Survey Department has been obliged to turn its attention more particularly to cadastral requirements. Hence, the record of work done in actually visiting unknown parts of this vast country is not so full as in previous years. Nevertheless, a good deal has been accomplished. It is perhaps unnecessary that I should enter into the detail, more especially as those interested in this subject may now find all that they require in an exhaustive work recently published. "The Anglo-Egyptian Soudan, 1905," compiled and edited by Lieutenant-Colonel Count Gleichen, formerly Soudan Agent and Director of Intelligence, besides giving a mass of information on the resources, development, administration, and commerce of the Soudan, supplies also a full geographical description of the country, and contains details of the various routes traversed by exploring parties, officers, officials, and private individuals. To appreciate what has been done in this direction, reference should be made to this work, as well as to the various maps which have been compiled in the Survey Department of the Soudan and issued by the general staff of the British War Office.

II. ECONOMICS.

7. Population.

In my Report for the year 1903, I stated that a very rough estimate gave the population of the Soudan, at that time, at 1,870,000 souls. This included 400,000 persons as the population of the Bahr-el-Ghazal Province. The latter figure was a mere conjecture, and, indeed, the whole estimate could only be considered as a very rough approximation to the reality.

No census of the Soudan has as yet been made, and for many reasons it would be undesirable to make the attempt. In the first place, it would be almost impossible to make a census in some of the remote provinces. In the second place, any attempt to enumerate the population would probably be misunderstood, and give rise to a variety of unfounded suspicions on the part of the natives. Sir Reginald Wingate has, however, obtained further information on the subject, with the result that he now estimates the population at 1,853,000. This again includes the purely conjectural figure of 400,000 for the Bahr-el-Ghazal. It will be seen that this figure is slightly less than that which was given two years ago. It is not, on this account, to be inferred that the population has diminished. There can, in fact, be little doubt that it has increased. The true explanation, I do not doubt, is that the former calculation involved an over-estimate. The present estimate is probably somewhat more correct than that made in 1903, but at best it must only be considered as an approximation to the truth.

The point most to be noted in the calculations submitted by the local authorities is the very large proportion of children. Thus, out of 90,000 persons in the province of Dongola, it is estimated that over 43,000, or 32 per cent. of the total, are children under 9 years of age. The same feature is to be observed, in a greater or less degree, in the returns which come from other provinces.

I should remark that in the total of 1,853,000 persons, 10,996 foreigners are included. Of these, 2,787 are Europeans, and 8,209 Abyssinians, Egyptians, Indians, &c.

8. Labour.

The labour question in the Soudan already presents considerable difficulties, and these difficulties are likely to increase as time goes on. The rate of wages has risen everywhere, and the demand, both on the part of the Government and of private individuals, is greater than the supply. The Soudan Government is apprehensive that, attracted by the high rate of wages, cultivators will abandon agriculture—a result which would certainly be detrimental to the country. A short while ago, a Committee sat at Khartoum to consider this subject. Some members of the Committee urged that the only remedy was to import at once a large quantity of outside labour. On this proposal, Sir Reginald Wingate makes the following remarks :—

"Undoubtedly, under normal conditions, the ordinary wage rate should be determined primarily by competition for labour amongst contractors and private individuals; and if it is then found impossible to adjust the supply to the demand, the only remedy would appear to be for the Government either to reduce its programme or to encourage immigration.

"But is the situation entirely normal? Those most competent to judge are of opinion that it is not, and that the present state of affairs is not owing to the non-existence in the country of the requisite amount of labour, but is due to the fact that the sources of supply have not yet been fully opened up. They are, therefore, strongly against the importation of foreign labour on a large scale until every effort has been made locally to adjust supply and demand."

For the moment, the steps which have been taken are as follows:—In the first place, a Labour Bureau has been created, with a view to preventing one Government Department from competing in the labour market against another. This is obviously a sound measure. In the second place, it has been decided that the allottees of land at Port Soudan, where the demand for labour will probably be specially great, will be required, as part of their contracts, to import foreign labour for their own necessities. This measure will apply only to Port Soudan, and will be purely tentative. If, as is quite possible, its execution is found to entail great objections, the decision of the Government can be modified.

There is also a large demand for skilled labour. The Soudan Government is doing all that it can to encourage technical education; but I have little doubt that, for some years to come, the country will have to depend mainly upon foreigners for this description of labour.

I mentioned in my Report for last year (p. 126) that the experiment, which was then novel, of employing Bedouin labour on the Nile–Red Sea Railway had been tried, but that it had not proved successful. "Nevertheless," I added, "I trust that at some future time the attempt will be renewed." I still do not despair of eventually getting the Bedouins to work. Major O'Connell, the Moudir of Kordofan, makes the following remarks in his Report:—

"The area cultivated by the Bagara tribes has increased enormously this year, and most of the labour is done by the Arabs. I mentioned this to show the absurdity of the statement, made from time to time, that Arabs cannot do agricultural labour."

9. Agriculture.

(a.) *Extent of Cultivation.*

The agricultural development of the country is proceeding steadily. The number of sakias increased from 8,902 in 1904 to 9,744 in 1905, an increase of 842; and the number of shadoofs, from 2,003 in 1904 to 2,388 in 1905, an increase of 385. The following Table shows the relative areas under cultivation in 1904 and 1905 respectively:—

	1904.	1905.
	Acres.	Acres.
Artificially irrigated	100,339	107,443
Rain crop	386,437	536,419
Flood	42,463	61,010
Total	529,239	704,872

There has, therefore, been a total increase of 175,633 acres.

The principal crops cultivated in 1905 were as follows:—

Crops.	Acres.
Barley	13,348
Cotton	23,898
Dhurra	472,066
Millet	48,231
Indian corn	12,473
Onions	1,754
Lubia	11,985
Beans	1,497
Wheat	22,075
Simsim	88,280
Miscellaneous	9,215
Total	704,872

(b.) *Cotton.*

It will be seen, from the figures given above, that the total area under cultivation of cotton in 1905 was 23,898 acres. This constitutes an increase of 8,631 acres on the figures of 1904.

At a subsequent period of this Report, under the head of "Provincial Administrations," I give a few extracts from the Reports of the various Governors of provinces, which will enable some idea of the prospects of increased cotton cultivation in the Soudan to be formed. The following extract from the Report of Mr. Broun sums up the case very succinctly: "When it is taken into consideration how naturally indolent and conservative the people of the Soudan are, and how difficult it is for them to abandon beaten tracks, there is no reason for being disappointed with the rate of progress which has been attained this year. This much knowledge we have acquired with greater certainty than heretofore, namely, that Egyptian cotton can be grown, with a reasonable chance of success, in most parts of the Soudan, provided it is sown at the most favourable period of the year, and the right amount of water can be provided. In the Northern Soudan, Suakin excepted, May and June are the most favourable months for planting; but experiments have still to prove whether cotton can be successfully grown during the periods within which Egypt permits us to have an unlimited amount of water."

In explanation of this last sentence, I should mention that, with a view to not endangering the supply of water for Egypt, the Soudan Government is only allowed to sanction the use of pumps from the 15th July to the 31st January—that is to say, during the period of flood. The whole of the summer supply of water in the Nile goes down to Egypt, with the exception of enough to cultivate some 10,000 to 12,000 acres in the Soudan. Until some of the large irrigation works now being studied are constructed, it will be impossible to change this state of things. Egypt manifestly has the first call on the Nile water, and the summer supply is as yet insufficient even for Egypt proper. I commend this fact to those who occasionally contend that Egypt is being sacrificed for the Soudan. As a matter of fact, the very contrary is the case. In respect to the vital question of water, the progress of the Soudan is being retarded, in order not to do any harm to Egypt. I mention the point because some of the statements made on this subject may be due to ignorance of the real facts of the case. I fear, however, that they are often the result of wilful misrepresentation, against which, of course, I cannot hope to contend in argument.

(c.) *Wheat.*

The area under wheat cultivation was about the same in 1905 as in 1904, that is to say, approximately 22,000 acres. Mr. Broun, however, observes: "It is satisfactory to note that wheat is being tried in new places. . . . . There is no reason why the Soudan should not capture the Red Sea trade, especially as Soudanese and Egyptian wheats grown in the Soudan compare in analysis favourably with Indian wheat, which now holds the market. As is the case with cotton, there may be some prejudice against increasing this cultivation, due to the fact that the natives have, in remote places, to learn the value of

the product. An instance of this came under the observation of the Governor of the White Nile Province. He discovered a cultivator exchanging an ardeb of wheat for one of dhurra, which a wily merchant was offering him."

(d.) *Rubber.*

Towards the end of 1904, the services of an expert (Mr. Harold Brown) were obtained, through the Imperial Institute, of London, with a view to investigating the rubber in the Bahr-el-Ghazal Province. His report was not favourable. He says that most of the existing rubber vines have been ruined by bad methods of tapping, and that there appears to be only one species of vine, which occurs only sparsely, worth cultivating. The matter requires further investigation; but it appears certain that some long while will elapse before the rubber industry in the Soudan can be developed to any great extent.

(e.) *Gum.*

Owing to the low prices for gum which prevailed in 1905, the exports from the Soudan fell off. Only 184,950 kantars were exported up to the 30th September, as compared to 209,028 kantars for the corresponding period of the previous year. I am informed that the prospects of the gum crop during the current year are very favourable. A careful investigation is being made, both chemically and commercially, into the relative merits of Senegal and Soudanese gum.

(f.) *Dates.*

It is probable that the date trade of the Soudan will permit of considerable development, more especially from the Province of Dongola. Colonel Jackson reports that there are at present 366,000 date trees in that province, and that thousands more are being planted. The construction of the line from Kereima to Abou Hamed will place the Dongola Province in direct communication with the Red Sea, and will probably permit of the export of dates to Arabia and elsewhere.

(g.) *Seeds, Ground-nuts, &c.*

There appear to be possibilities of developing the export of castor-oil from the Soudan. Sir Reginald Wingate writes:—

"Inquiries show that the castor-oil plant not only grows in almost every province, but that in some, notably in Sennar, Dongola, the Blue Nile, Kassala, and Berber, it can be grown in great profusion."

The possibility of cultivating coriander, cummin, fennel, linseed, mowra, and rape seed is at present engaging the attention of the Director of Agriculture and Lands.

Small quantities of ground-nuts are now grown, but there can be no doubt whatever that they might be grown in much larger quantity. The subject deserves consideration. In 1903, the French Colony of Senegal exported ground-nuts to the value of about 1,383,000*l.*

A statement made by the Governor of the Bahr-el-Ghazal to the effect that his province is capable of producing a large quantity of tapioca—the starch grains of the cassava—has led to inquiry. Samples for analysis are being obtained.

10. Trade.

Pending the formation of a Commercial Department, which is now in course of organization, the information which I am able to give with regard to the trade of the Soudan is not so perfect as I should wish. The following figures, however, may be of interest:—

The value of the imports, which passed through Wadi Halfa in 1905, was £ E. 1,092,000, as compared to £ E. 751,000 in the previous year. There was, therefore, an increase of £ E. 341,000. The principal imports were—

Imports.	Value
	£ E.
Cotton goods	394,000
Wrought iron	110,000
Liquors	84,000
Machinery..	60,000

The exports viâ Halfa were only £E. 251,000, as compared to £E. 270,000 in 1904. The decrease of £E. 19,000 was wholly in dates (owing to the closing of the Dongola–Kerma Railway) and in gum (owing to the bad harvest of this article).

The imports viâ Suakin increased from £E. 137,000 in 1904 to £E. 171,000 in 1905, being an increase of £E. 34,000. The principal articles imported were—

Imports.	Value.
	£ E.
Cotton goods	31,000
Dhurra	36,000
Flour	8,000
Rice	6,000
Sugar	8,000

The exports viâ Suakin decreased from £E. 67,000 to £E. 58,000. The decrease of £E. 9,000 was mainly in gum.

A small trade is springing up with Abyssinia. Every effort is being made to develop it.

11. Pearl Fisheries.

I stated in my last Annual Report (p. 126) that steps were being taken to inquire into the possibility of developing the pearl-fishing industry in the Red Sea.

Professor Herdman, of the Liverpool University, has made a report on this subject, in which he says:—

"I am now able to express a definite opinion in favour of continuing and extending the work so as to include the protection and cultivation of the pearly oyster of the Soudan littoral. Sufficient evidence has been obtained to justify a recommendation that the pearl fisheries should be exploited and protected."

The Soudan Government has engaged the services of Mr. Crossland, a very competent marine biologist, to continue scientific investigations as to the influences affecting the life and conditions of existence of the pearl oyster. After two or three years of preliminary work, it will be possible to decide how the industry may best be exploited commercially.

12. Ivory.

I stated in my last Annual Report (p. 125) that the Government monopoly in ivory had been abolished in 1904, and that the royalty had been reduced from 15 to 10 per cent. The result was that which generally ensues from the adoption of a sound fiscal policy. The value of the exports rose from £E. 22,000 in 1903 to £E. 30,000 in 1904. I have now to report a further rise. The number of tusks which passed through the Customs Office during 1905 was 4,954,* representing a value of about £E. 42,000.

I am not sure, however, that this increase is altogether a satisfactory symptom, for Captain McKey, the Director of the Customs, reports as follows:—

"From information obtained from Arabs and others, I learn that the Homr and Rizighat Arabs killed about 800 elephants between them, the Homr killing no less than 87 in one day. I am afraid that, if the truth were known, it would be found that the greater part of them consisted of females and young; for the Arabs, urged on by their women, turn out by the thousand, chase the elephant till dead beat, and then

* Some of these were confiscated owing to their being immature or cow ivory.

rush in and kill all, not only for the ivory, but for the meat, hides, &c. Naturally, if this continues, it will be but a few years before the animal becomes extinct."

It is very difficult to stop these proceedings in the remote districts, which are the principal haunts of the herds of elephants.

13. Ostrich Feathers.

Ostrich feathers to the value of about £ E. 15,000 were exported in the course of last year. This is about the same quantity as during each of the previous two years. It appears, however, that Soudan feathers are becoming less and less able to compete with Cape feathers. At the Cape, the ostrich business is an important industry, whereas in the Soudan, owing to the great number of other questions which demand the attention of the Government, nothing has as yet been done to improve it systematically.

14. Mineral Concessions.

According to the returns made by the Companies, which have obtained mineral concessions, it appears that the total amount spent by them on prospecting expeditions and mining operations during the year ending the 30th August, 1903, was approximately 19,000*l.*, and during the year ending the 30th August, 1904, approximately 38,000*l.* The figures for the year ending the 30th August, 1905, have not yet all been received, but it is probable that the expenditure was about the same as during the previous year.

The total amount received by the Government in fees for prospecting licences last year was £ E. 2,025. No mine has yet reached the producing stage. Steady prospecting has been carried on during the year on most concessions.

III. FINANCE.

15. Accounts for 1905.

In order to understand the precise financial situation of the Soudan Government close attention to the figures is necessary. I will endeavour to make the matter as clear as possible.

The Estimates for the year 1905 were as follows:—

	£ E.
Revenue	916,000
Expenditure	916,000

The Accounts for the past year have not yet been closed, but the results will approximately be as follows:—

	£ E.
Revenue	1,040,000
Expenditure	875,000
Surplus	165,000

These figures are so far accurate that they represent the true sum, namely, £ E. 165,000, which the Soudan Government was able to carry to the credit of the Reserve Fund at the close of last year. But in order to arrive at a true appreciation of the real revenue yielded by the Soudan, some adjustments have to be made.

In the first place, the equilibrium of the Soudan Budget was established in 1905 by means of a contribution from the Egyptian Government of £ E. 380,000 for civil expenditure. On the other hand, the Soudan Government paid £ E. 187,000 to Egypt as a contribution towards the maintenance of the Egyptian army, thus leaving the net contri-

bution of Egypt, in so far as this account is concerned, at £ E. 193,000. If these two contributions are left out of account, the Estimates would stand as follows :—

	£ E.
Revenue	536,000
Expenditure	729,000
Deficit	193,000

The actual results, again leaving out of account the money paid and received by the Egyptian Treasury, were as follows :—

	£ E.
Revenue	660,000
Expenditure	688,000
Deficit	28,000

A further adjustment, however, has to be made. An "extraordinary" receipt of £ E. 83,000 was realized by the Custom-house at Suakin from duty on the material imported for the construction of the Nile–Red Sea Railway and the harbour works at Port Soudan. This amount was really paid by the Egyptian Government, and was charged to the capital account of the railway. Further, the Egyptian Government made a special grant of £ E. 8,000 for the additional transport required by reason of the Bahr-el-Ghazal expedition. This sum was credited to the Soudan Government in their revenue account. These two figures together make a total of £ E. 91,000. If now we deduct this sum of £ E. 91,000 from the amount of £ E. 660,000 given above as the Soudan revenue, we arrive at a figure of £ E. 569,000. This, therefore, can be considered the true revenue of the year ; and inasmuch as the expenditure was £ E. 688,000, there was, on this showing, a deficit of £ E. 119,000. I shall presently deal with the question of the financial relations between Egypt and the Soudan, and I shall show that, as a matter of fact, the Soudan cost Egypt in the course of last year considerably less than this sum of £ E. 119,000.

I give below a Table showing the revenue of the Soudan since the reoccupation of the country.

Year.	Revenue.
	£ E.
1898	35,000
1899	126,000
1900	156,000
1901	242,000
1902	270,000
1903	462,000
1904	535,000*
1905	569,000

The crops failed last year over a considerable portion of the country, and the gum harvest was exceptionally bad. Under these circumstances, it is most satisfactory to note that the revenue was £ E. 34,000 in excess of that of 1904.

The expenditure was £ E. 41,000 less than the estimate, a fact which does great credit to the efficient control exercised by Lieutenant-Colonel Bernard, the Financial Secretary to the Government.

16. Estimates for 1906.

The Estimates for 1906 are as follows :—

	£ E.
Revenue*	622,000
Expenditure*	875,000
Deficit	253,000

* This is exclusive of "extraordinary" receipts to the extent of £ E. 41,000.

† A sum of £ E. 34,000 appears for the first time on both the revenue and expenditure sides of the Estimates, for "Local Provincial Services." Formerly, these services were not included in the general Budget.

The account is adjusted by the Egyptian grant for civil expenditure, which remains at £ E. 380,000, from which has to be deducted the repayment by the Soudan Government to the Egyptian Treasury for its share of military expenditure, amounting to £ E. 127,000, thus leaving the net contribution of the Egyptian Government at £ E. 253,000. I would again warn my readers that, for reasons which I am about to explain, the real charge on the Egyptian Government on account of the Soudan will be much less than this figure.

It will be observed that the military contribution of the Soudan Government has been reduced from £ E. 187,000 to £ E. 127,000. The reasons have been already explained by Sir Vincent Corbett in his note on the Estimates. There can be no doubt that, under the division of charge previously made, the Soudan paid an excessive amount.

17. Reserve Fund.

On the 31st December, 1905, a sum of £ E. 215,000 stood to the credit of the Reserve Fund belonging to the Soudan Government. Of this amount, £ E. 175,000 was pledged to expenditure of various descriptions, mainly public works. The unpledged balance, therefore, amounted to £ E. 40,000.

18. Financial Relations with Egypt.

In dealing with the question of the financial relations between Egypt and the Soudan the main point to be borne in mind is that the justification for those relations does not depend upon whether the Egyptian Treasury spends a few thousand pounds more or less, but upon the two broad facts: first, that, as I have frequently explained before, control over the waters of the Nile is essential for the well-being of Egypt; and, secondly, that peace on the Egyptian frontier can only be secured by the occupation of the territories formerly under Dervish rule. At the same time, it is desirable to ascertain, as nearly as possible, what is the real cost of the Soudan to the Egyptian Treasury.

I have already stated that the Egyptian Government gave, in 1905, a contribution of £ E. 380,000 towards the civil expenditure of the Soudan; and that it was repaid £ E. 187,000 as the Soudanese contribution to the military expenditure of Egypt; thus leaving a net charge of £ E. 193,000 on the Egyptian Treasury. The real charge, however, on Egypt was considerably less than this figure.

In my Report of last year I endeavoured to ascertain the true amount of this charge, and I arrived at the conclusion (p. 120) that the net charge on Egypt was only £ E. 27,000 a-year. Since then, the figures have been again very carefully examined, and fresh calculations have been made, more especially with a view to seeing that the total amount charged to the Egyptian Treasury is not under-stated. I give below the sums received by the Egyptian Customs Administration, Railways, Postal, and Telegraph Departments, &c., on Soudanese account:—

	Amount.	
	£ E.	£ E.
1. Amount estimated to have been taken by the Egyptian Customs Administration in custom dues on account of goods imported into and exported from the Soudan	..	93,400*
2. Amount paid by the Soudan Government to the Egyptian State Railways for freight and passengers	51,500	
3. Amount estimated to have been taken by the Egyptian State Railways on account of private merchandize imported into the Soudan viâ Halfa .. .	29,000	
4. Amount estimated to have been taken on account of private merchandize exported from the Soudan viâ Halfa	12,500	
5. Amount estimated to have been taken on account of private passenger traffic viâ Halfa and Suakin ..	7,500	
Carried forward	100,500	93,400

* 4 per cent. is deducted from the gross weights for tare, and 3 per cent. for administrative expenses.

	Amount.	
	£ E.	£ E.
Brought forward	100,500	93,400
6. Amount estimated to have been taken on account of private merchandize imported into the Soudan viâ Suakin..	7,500	
7. Amount estimated to have been taken on account of private merchandize exported from the Soudan viâ Suakin	2,500	
8. Amount estimated to have been taken from the British military authorities on account of the transport of passengers and stores on their way to or back from the Soudan	1,000	
	111,500	
Deduct 50 per cent. for administrative expenses ..	55,750	
		55,750
9. Amount estimated to have been taken by the Postal and Telegraph Administration on account of parcels post, money orders, letters and telegrams sent to the Soudan, public and private	..	4,000*
10. Amount of profit estimated to have been made by Egypt on silver, nickel, and bronze used in the Soudan	..	7,000
Total	..	160,150†

It will be observed that the total of the figures given above is £ E. 160,000. Deducting this sum from the figure of £ E. 193,000 already stated, it would appear that the net charge to Egypt in 1905 was £ E. 33,000—a figure only £ E. 6,000 in excess of that which I gave last year.

In 1906, the charge will be increased by £ E. 60,000, by reason of the diminution of the military contribution paid by the Soudan to the Egyptian Treasury. Even then, however, the charge will be only £ E. 93,000 a-year, which is surely no very great sum to pay for all the enormous advantages derived by Egypt from the re-occupation of the Soudan.

19. Capital Expenditure.

The figures, which I have given above, only include the ordinary receipts and expenditure. I have now to deal with the important question of capital expenditure in the Soudan.

It is manifest that a large amount of capital has to be spent in the Soudan, partly on Egyptian account, with a view to the improvement of the water supply, and partly on Soudanese account. It is not very easy to distinguish clearly between those portions of that expenditure which will benefit the Soudan exclusively, and those which will, in a greater or less degree, benefit Egypt. As regards the irrigation works, some, and those the most important, will benefit Egypt exclusively; others will benefit the Soudan exclusively. The railways, although they will primarily benefit the Soudan, will also be of great use to Egypt, in so far as they will facilitate the execution of works of irrigation intended to increase the Egyptian water supply.

The main question to be decided is how the capital is to be obtained. When once the titles to land in the Soudan have been registered, and the conditions of sale regulated, private enterprise may be called in to assist in land development. But the railways and principal irrigation works will have to be constructed by the Government. The reason as regards the railways is that the prospects of an immediate return are not sufficiently attractive to induce private capitalists to embark in railway undertakings, save on terms which are so onerous as to render it cheaper for the Government to construct the railways themselves. As regards the main works connected with irrigation, that is to say, the dams and reservoirs on the Nile, I consider it absolutely essential that these should be executed by the Government. No private company can be allowed any control over the water of the Nile on a large scale.

* £ E. 8 000 is deducted from the gross figure for administrative expenses.

† This does not include amounts taken on account of transport of passengers and stores of the Egyptian War Department in the Soudan.

Under these circumstances, the Egyptian Treasury must certainly supply the capital. I can conceive no more short-sighted a policy than to refuse it, more especially as a great deal of it will be spent in purely Egyptian, as distinguished from Soudanese, interests. The adoption of this policy has been a good deal criticised in Egypt, but I believe that the more thinking portion of the population are now coming round to the opinion that it is not only justifiable, but imposed by the necessities of the situation. Even were this not the case, I should still be a strong advocate for its continuance, inasmuch as I regard it as absolutely certain that posterity, whether in Egypt or the Soudan, will have every reason to thank the present generation for its adoption. The policy of providing Egyptian capital for Soudan development will, therefore, certainly be continued. A strict account is kept of the sums advanced. In course of time, interest will, I trust, be paid, and it is possible that, in a more remote future, the capital will also be refunded.

It now only remains for me to state the facts as regards the capital already expended, or about to be expended, in the Soudan. The actual cost of the reconquest of the Soudan—by which I mean the operations conducted under Lord Kitchener's auspices—was £ E. 2,412,000, of which about £ E. 780,000 was borne by the British Government. I need hardly say that the Soudan has cost the British Government a great deal more than the figure mentioned above. I allude to this point because the Egyptian public is rather apt to forget the large sums of money paid by the British tax-payers in connection with the operations of 1884–86, as also the sums spent in quelling the Arabi revolt in 1882. I cannot at this moment give the precise amount of money expended on these various operations, but it certainly amounted to many millions.

The capital advanced by the Egyptian Government up to the end of 1905, mainly for the construction of railways in the Soudan, amounted to £ E. 2,633,000. Interest at 3 per cent. on this amount comes to about £ E. 79,000 a-year. I have already stated that, exclusive of this sum, the Soudan cost Egypt in 1905 £ E. 33,000. If we add the interest charge at £ E. 79,000, the total comes to £ E. 112,000.

The total charge in 1906 will be larger, first because, as I have already mentioned, the military contribution of the Soudan has been reduced by £ E. 60,000; secondly, because credits to the extent of £ E. 278,500 have already been opened for the Soudan Government, although the money has not yet been spent; and, thirdly, because further advances, for the construction of public works, will certainly have to be made.

20. Agricultural Loans.

Pending the establishment of a private Agricultural Bank in the Soudan, the Government advances small amounts of money to the cultivators at 7½ per cent. interest. The loans are for the most part repayable in three years. Up to the end of 1905, advances to the extent of £ E. 20,000 had been made, of which £ E. 15,000 had been repaid.

Governors of provinces are made responsible that these loans are actually expended on the purchase of cattle or agricultural implements, or on the construction of sakias. The money is not issued until they have satisfied themselves on this point.

21. Land Settlement.

Until recently, the Department of Agriculture and Lands has been combined with that of Woods and Forests, under the direction of Mr. Broun. Experience showed that the combined work was far too heavy for any one man. The Departments have, therefore, been separated, and Mr. E. Bonus, formerly Deputy Judge-Advocate-General in England, has been appointed to be Director of Agriculture and Lands.

One of the most important and difficult questions, which the Government of the Soudan has had to deal with since the reoccupation of the country, is that of the settlement of the land. I have had, during the last few years, frequent discussions with Sir Reginald Wingate and other authorities on this subject. Its importance justifies my stating at some little length how matters stand. The following description is taken almost textually from a Memorandum recently sent to me by Sir Reginald Wingate.

Immediately after the battle of Omdurman, it became necessary to settle the numerous disputes which at once arose as to the ownership of land. As was to be expected after a rebellion, titles to land were in a very confused condition. Many owners of land having left the Soudan on the outbreak of the Dervish revolt, their lands

had been granted to, or taken by, others, by whom they had since been cultivated. The matter had been further complicated by the Khalifa's policy of transporting the inhabitants of one part of the country and settling them in other districts.

The Title to Lands Ordinance, published in the "Soudan Gazette," of the 27th May, 1899, provided a machinery for the settlement of disputes, and laid down the principles to be followed in the settlement. It directed that special Commissions should be appointed in each of the provinces of Khartoum and Berber, and in such other provinces, districts, and towns as the Government might determine, to receive and adjudicate upon claims to land. The Commissions were to consist of three officials and two Notables.

Every person claiming to be entitled to land of which he was not in possession, or to any mortgage or charge upon land, was required to submit his claim to the Commission by a fixed date, in default of which he was, subject to certain exceptions, barred from his claim.

Of the rules laid down for the guidance of the Commission the two most important were :—

1. That continuous possession or receipt of rents or profits during the five years preceding the date of claim created an absolute title as against all persons; and

2. That, in default of any claimant with a superior title, continuous possession since the re-establishment of the Government created a *primâ facie* title.

If a claimant proved that he was formerly in possession of land with a good title, but was dispossessed by *force majeure* during the rebellion, and some other person was entitled under the rules of the Ordinance, the Ordinance directed that, so far as possible, the Government should grant the claimant other land in compensation.

The Ordinance was based on the principle that persons actually cultivating the land should, as far as possible, be left in possession. Its objects were to avoid the discontent and disturbance which would have been occasioned by an investigation into every dispute which had occurred during the last twenty years, to obviate numerous evictions, and to induce the population to settle down to cultivate with confidence. The injury caused to claimants out of possession by not reinstating them was more sentimental than real, as, if they wished to cultivate, there was no difficulty in providing them with other lands.

Under the terms of the Ordinance, Land Commissions were appointed for the Berber, Khartoum, Kassala, Kordofan, Sennar, and Suakin Provinces. These Commissions settled a large number of disputes.

The Ordinance also contained provisions for the eventual establishment of a register of title, and in the instructions which accompanied the Ordinance it was contemplated that, side by side with the settlement of disputes by the Land Commission, a register of undisputed titles would be prepared. Owing, however, to the very limited staff at the disposal of the Government, and the urgency of settling the disputed claims, the Land Commissions did not find it possible to take into consideration and register undisputed rights.

A good deal has, nevertheless, been done towards the preparation of a register of lands irrigable by sakia or shaduf in connection with the preparation of a register of the land tax. In the Dongola Province, which had the advantage of coming under the authority of the Government two years before the more southerly provinces, and where the Governor has made special efforts to settle all titles, practically all the information required for a register of titles has now been collected, although some revision will be necessary.

The lands over which natives claim rights fall into four principal classes :—

1. Lands lying in the bed of a river which are submerged at high Nile and become cultivable as the river falls; these are either islands ("gezira") or lie below the banks of the river ("garf").

2. Lands cultivated by irrigation by sakias or shadufs, either with water from the river or from wells.

3. Lands lying somewhat remote from the river banks, than which they are slightly lower, and which are occasionally irrigated by the overflow of the river in years of exceptional flood. These are known as "karu" lands. These lands are found especially in the Khartoum and Berber Provinces. The periods at which they are flooded vary according to their height. Some few are said to be flooded as often as once in three years, others not more than once in twenty years. After floods, they lend themselves readily to the cultivation of millet. Owing to the succession of low Niles, very little of this class of land has been flooded since the reoccupation. Parts of such lands are thickly covered with wood, and are used as grazing-grounds and for cutting timber and firewood.

4. Lands cultivated from rain. The Halfa and Dongola Provinces are practically rainless. In the Berber and Khartoum Provinces, there is usually some rainfall, but such rain is very local. The rain cultivation, even in a year of good rains, is very partial, and in many years there is only a little in the beds of "wadis" (water-courses). From a line about 30 miles south of Khartoum, regular rain cultivation begins, and, from the native point of view, surpasses river cultivation in importance. Instead of the villages being within a mile of the river, as in the Dongola, Berber, and Khartoum Provinces, and the rain cultivation being supplementary to the river cultivation, there are many villages remote from the river, and entirely dependent on rainfall cultivation. Even here rains are local, and a village frequently goes two or three years with little or no cultivation. Millet is, as a rule, the only crop.

While the natives state that they and their ancestors have cultivated land of this class, when the conditions were favourable, since the memory of man, the former Egyptian Government in Berber treated the land as Government land and the natives as tenants-at-will. The natives, as a rule, have no title-deeds, and the land has, with few exceptions, never been the subject of sale. The native rights in Berber and Khartoum seem, therefore, generally to be of the nature of customary rights over Government land rather than of ownership.

On the other hand, further south, where rain is more regular, and the land has been cultivated on an average as often as once in every two or three years, the claims of the natives to full ownership, both morally and legally, stand on a stronger basis.

"The Land Settlement Ordinance, 1905," aims at providing a simple machinery for settling the claims of natives over uncultivated lands, and lands which have been cultivated at irregular intervals only, and, when such rights do not amount to the full ownership, enabling the Government to proceed to expropriation, if necessary, for the purpose of an irrigation scheme, or any other purpose.

The procedure to be followed under the Ordinance is as follows:—

Whenever it appears expedient to the Governor-General to effect a settlement of claims over waste, forest or unoccupied land (in which term is also included any land which is uncultivated or is cultivated at irregular intervals only), he will issue a notice specifying the land and appointing a Settlement Officer.

The Settlement Officer, after issuing notices to claimants to send in their claims, will hold an inquiry into all claims which may be sent in, and into the existence of any right in respect of which no claim has been made.

If the Settlement Officer is satisfied that any person is entitled to the beneficial ownership of the property, he will make an order admitting such ownership.

If the Settlement Officer is satisfied that any land is not subject to private ownership, he will make an order that the ownership of the land belongs to the Government.

In either case, if satisfied that any person is entitled to any rights over the land, such as—

(*a.*) A right to cultivate by the natural flood of the river or by rain;
(*b.*) A right to forest produce;
(*c.*) A right of pasture;
(*d.*) Any other beneficial right or practice;

he will make an order admitting the rights and defining the same.

The following rules are followed by the Settlement Officer in adjudicating upon claims:—

1. Five years' continuous possession give a claimant a title to ownership.

2. Waste forest and unoccupied land are deemed to be the property of the Government until the contrary is proved.

3. In the case of land which, under the customary method in use with regard to the same, is cultivable at irregular intervals, the fact that a person has cultivated it at irregular intervals, during whatsoever period, does not by itself give him the absolute ownership of the land, but only a right of cultivation.

4. The exercise by any person of rights in or over one or more portions of land is not taken as a presumption as against the Government of ownership of any rights in or over any greater extent of land than that in or over which the rights were exercised.

Whenever a scheme has been approved for the artificial irrigation of land which is declared Government land under the Ordinance, or whenever such land is required for a public purpose, the Government is authorized to expropriate all private rights, if any, existing over the land. Compensation is given either in money or in land. It is hoped that when land of this sort is included in an irrigation scheme, it will be possible

to compensate the owners of rights over it by grants of part of the land included in the scheme.

The general principle underlying the Ordinance is that all rights which have been exercised in the past are to be fully recognized by the Settlement Officer; but where such rights only amount to a very partial proportion of the full possibilities of ownership, and the claimant cannot show on other grounds that the full ownership of the ground is vested in him, the ownership of the land, subject to such rights, will be vested in the Government.

The settlement of lands in the Berber province under this Ordinance has been started, and arrangements have been made for commencing settlements in the Khartoum and Blue Nile provinces.

An Ordinance for establishing registers of title to land, and to regulate the mode of transferring and exchanging land, is under preparation, and, it is hoped, will be issued before long.

Rumours that Government intended to make irrigation canals led to some large purchases being made by foreign speculators of rain lands in the Blue Nile province. In the present condition of things, such purchases are not desirable. The native claims to the land in many cases are doubtful. In some cases they are disputed, and the sale by one party claiming ownership is likely to cause disturbances. Further, the price offered to natives for the land is extremely small—about 5 piastres an acre. The lands are bought, not with the object of cultivation, but as a speculation; for unless such land is irrigated by artificial means, little improvement over the present native modes of cultivation is possible.

Soon after the reconquest of the Soudan, a Proclamation was issued, requiring all purchases of land to be submitted to the Governor of the province for approval.

A further Proclamation was issued in July of last year, declaring that no native may sell, mortgage, or otherwise dispose of any land except with the consent of the Governor of the province within which such land is situated; that any sale, mortgage, or other disposition made without such consent is void; and that money paid in consideration of any sale, mortgage, or disposition to which such consent had not been given shall not be recoverable. For the present, no consent to sales will be given unless the land has been registered.

Thus the matter now stands. Sir Reginald Wingate concludes with the following observations:—

"The question still remains to be settled whether, after the land has been registered, any restriction shall be maintained on the native owners' power to alienate, in order to protect them from their want of foresight and improvidence."

The matter to which Sir Reginald Wingate has drawn attention is, indeed, one of the greatest difficulty and importance. There are obvious objections to placing all the land transactions of the country in the hands of the Government, not so much on account of the highly paternal character of such a measure—for I do not see how, under present circumstances, the Government of the Soudan can be other than paternal—but because of the very great difficulty of insuring its effective execution. There can, however, be very little doubt that, unless some restrictions are imposed, almost the whole of the land will pass out of the hands of the natives into those of speculators. On this subject I would draw attention to the remarks made in this Report in dealing with the affairs of the province of Sennar. Abundant evidence, all pointing in a similar direction, comes from other quarters. For the moment, I cannot say what actual decision will be taken, but the matter will receive very earnest attention.

22. The Land Tax.

The total area of land taxed rose from 111,197 acres in 1903 to 132,883 acres in 1904, and again to 178,789 acres in 1905. Of this latter figure, 93,412 acres were irrigated by artificial means, and 85,377 acres by the natural rise of the Nile.

The system adopted in assessing the land tax in the Soudan is, so far as I am aware, somewhat novel. It may be desirable, therefore, that I should briefly describe its nature. The object, which the Government has sought to attain, is to induce the natives to cultivate all the land belonging to them, and at the same time to discourage them from bringing forward claims to land to which they have only very doubtful titles, and which they have no intention of cultivating. The system, adopted in the first instance in the province of Dongola, was that, after two years' warning, a tax on one-quarter of the uncultivated land in private ownership was levied. It was increased to one-

half at the end of the fourth year, to three-quarters on the expiry of six years, and to the whole area eight years after the date at which notice was first given. The plan has succeeded very well. It will be seen, when I come to deal with the affairs of the province of Dongola, that the land tax has been easily collected, and that there are practically no arrears. It has, therefore, been decided to introduce the system into some portions of the province of Sennar; but, inasmuch as this latter province is in a more backward condition than that of Dongola, the tax levied in the first two years will be only one-fifth, instead of a quarter, and the full amount of taxation will only be reached in ten years, instead of in eight. In subsequent years, the system will probably be extended to other localities. I should add that the land is divided into six classes, rated at from 10 to 60 piastres the acre. It is left to the discretion of the local officials to determine under which of these rates any given land shall be classified.

So far, only land irrigated by sakia or shadoof, or by well, or foreshore-land irrigated by flood, has been taxed. The levying of any tax on land under rain-crops has been deferred until the work of settlement, survey, and registration shall be completed.

IV. COMMUNICATIONS.

23. Railways.

The financial results yielded by the Railway Administration in 1905 were satisfactory as compared to those in 1904. The revenue rose from £E. 144,000 to £E. 171,000, whilst the expenditure fell from £E. 126,000 to £E. 118,000. The net profits were, therefore, £E. 52,000, as compared to £E. 18,000 in 1904. The reduction in expenditure was partly due to the closing of the Kerma line and partly to more economical working.

By far the most important event of the past year to be recorded under this head is, of course, the opening of the Nile–Red Sea Railway. The public are already in possession of the main facts connected with this subject. I need, therefore, allude to them but briefly.

As regards the probable effect on exports, I may mention that, but a short time ago, the price of dhurra at Khartoum was from P. T. 25 to P. T. 30 an ardeb. The market price at the ports of the Red Sea varies from P. T. 90 to P. T. 110 an ardeb. The cost of transport from Khartoum to the coast will not amount to more than P. T. 15 an ardeb. It follows from these figures that the Khartoum merchants will have to offer a price of over P. T. 70 an ardeb, or all the dhurra will go down to the Red Sea. A fact of this sort is, I think, sufficient to show the advantage which is likely to accrue to the cultivators of the Soudan from the construction of the railway.

As regards imports, I should mention that the cost of freight to Khartoum will, of course, be largely reduced. There will, however, be a certain set-off, owing to the fact that rates of freight from the ports of the United Kingdom to Port Soudan will probably be about 3*s.* to 4*s.* a-ton more than those to Alexandria. Allowing for this set-off, it is estimated that steel girders, which now cost about £E. 10 a-ton delivered at Khartoum, will in future cost no more than £E. 7 a-ton; while Portland cement, which now costs £E. 6 to £E. 7 a-ton, will in future cost from £E. 3 to £E. 4 a-ton. Similar calculations might be made as regards other articles.

The line from Abou Hamed to Kerma is practically completed, and will shortly be open to the public.

24. Nile Navigation.

The Nile steamers belonging to the Soudan Government have during the year done excellent service, but Mr. Bond, who very ably directs this Department, has been greatly crippled by the inadequacy of the means at his disposal. He has been, he says, "reluctantly obliged to refuse to merchants and others the carriage of grain on the Blue Nile." More steamers and barges are evidently required, and the question of how these can be supplied is now under consideration.

The receipts of the Department were £E. 112,000, as compared to £E. 97,000 in 1904. The expenditure was under £E. 52,000, as compared to £E. 48,000 in 1904. I

may add that on the Assouan–Halfa reach, 35,193 passengers were carried, as compared to 30,624 in the previous year.

25. Roads.

The expression "roads," as used in the Soudan, must not be taken to mean anything very finished in the surveyor's art.* A track about 30 feet wide, more or less straight, cleared of trees and stumps when it passes through forest or bush, defined by stones in open country, and with ramps into and out of the numerous "khors," constitutes the average road of the country. This, however, at present answers the purposes of the natives for trade, and forms a great improvement on their narrow footpaths, which turn aside for every tree that grows up or falls across their path. The saving of time and distance does not, probably, at present appeal much to the native mind; but I am informed that gratitude is expressed for the facility offered to bring loads into market, and that the saving to sacks, which have hitherto been torn by every passing thorn bush, is much appreciated.

At the end of 1904, about 1,500 miles of such roads existed in the country. An additional 2,550 miles were completed during the past year.

Intimately connected with the question of roads is that of the construction of wells. In the course of last year, the Government constructed 88 new wells, in addition to some 33 which were opened by private enterprise. The greater portion of these were situated in the Kordofan and Bahr-el-Ghazal provinces. Expert geological knowledge is being brought to bear upon the question of selecting suitable points for the sinking of wells.

Experiments have recently been made with a view to seeing how far motor-cars are adapted for use in the Soudan. It appears certain that in their construction the use of wood should be avoided as far as possible. For the benefit of motor-car manufacturers I give the following extract from a Memorandum communicated to me by Sir Reginald Wingate:—

"A car of suitable design for the Soudan should embody the following details: powerful engine; metal wheels; substantial gear-box, with high and very low gears; efficient radiation; clutch to withstand frequent slipping; strong springs; weight suitably distributed on the frame; carrying capacity for large supply of fuel and water, spare parts, and a certain amount of luggage; and all working parts must be carefully inclosed as a protection against sand."

26. Posts and Telegraphs.

The expenditure under this head has varied but very slightly during the last few years. It has amounted to about £E. 30,000. The receipts, on the other hand, which only amounted to £E. 20,000 in 1903, rose to £E. 24,000 in 1904, and to over £E. 29,000 in 1905. In the latter year, therefore, the Department was nearly self-supporting.

The number of private telegrams sent over the lines has been steadily increasing. It has risen from about 98,000 in 1903 to about 164,000 in 1905.

During the same period, the money passing through the Post Office has increased from about £E. 550,000 to £E. 808,000.

In the course of last year, Tonj and Wau were placed in telegraphic communication with Meshra-el-Rek. The undertaking, which was one of much labour and difficulty—mainly on account of the great mortality amongst the camels—was carried out by Major Dale and Corporal Stead, R.E. A credit of about £E. 9,000 has been allowed for extending the line from Tonj to Rumbek.

There are now 3,925 miles of telegraph lines open in the Soudan, as compared to 3,242 at the close of 1904.

I may mention, for the information of my Egyptian readers, that out of a total of 204 employés who constitute the clerical staff of this Department, 169 are Egyptians, 27 are Soudanese or Berberines, 3 are Syrians, and only 5 are Europeans. Of these latter, only 1 is of British nationality. Out of 79 line-men, 73 are Soudanese, and only

* I should mention that, with a view to establishing improved communication between the Blue and White Niles, an excellent road, suitable for wheeled traffic, has been constructed by Mr. Gorringe, of the Slavery Department, from Roseires to Jebel Agadi, a distance of 24 miles. It is now being extended to Renk. When completed, it will bring the southern districts of the Province of Sennar into communication with a waterway open at all seasons of the year.

6 Egyptian. "It is found," the Director writes, "that the Soudanese line-man is more reliable for this class of work than the Egyptian."

V. PUBLIC WORKS.

27. Public Works.

In the course of last year, about £ E. 65,000 was spent on military; and about £ E. 130,000 on civil public works in the Soudan. In spite of this large expenditure, the Public Works Department is greatly crippled for want of funds. From all parts of the country demands are being sent in for buildings of various descriptions. On this subject Captain Kennedy remarks with great truth:—

"It appears to me that we are trying to produce a country fully equipped with modern and up-to-date buildings, hospitals, &c., within the space of seven years and without the necessary funds. Theoretically this may be desirable, practically it is impossible."

I fully concur in these observations. The various heads of Departments and Governors of provinces should bear in mind that it is quite impossible to meet all their demands at once.

Captain Kennedy estimates that further grants of at least £ E. 150,000 are necessary to meet the requirements of military barracks in the Soudan. "I do not," he says, "imagine that this money will be forthcoming." It certainly will not all be forthcoming at once, but I see no reason why the programme should not be gradually carried out.

The demand for civil buildings of various sorts is also very large. All that can be said on this subject at present is that very fair progress is being made.

The installation of an electric lighting system at the town of Khartoum was commenced last year. It will cost about £ E. 13,000. Also, Khartoum is to be supplied with pure water at a cost of over £ E. 20,000. A variety of minor works are being executed in the provinces. The most pressing need is to provide the officials of the Government with proper houses, more especially in the unhealthy provinces. Progress is being made in this respect, and I am in communication with Sir Reginald Wingate with a view to hastening the completion of buildings of this nature.

VI. ADMINISTRATION.

28. Prisons.

The prison accommodation in the Soudan is as yet very defective. Captain Coutts speaks of the "wretched, ill-ventilated and overcrowded rooms," which in many cases are, for the time being, used as prisons. A good central prison is being built at Khartoum, and, as funds become available, others will be constructed elsewhere.

The anthropometric system of identification is about to be introduced into the Soudan.

29. Police.

Last year saw the introduction, to a limited extent, of the new police system to which I alluded in my Report for 1904 (p. 132). It consists chiefly in enlisting men locally instead of, as formerly, recruiting the police by transfers from the regular army. The police force in the Soudan now consists, exclusive of officers, of 1,819 men, of whom 1,209 were enlisted locally, and 610 are Egyptians transferred from the army. So far as can as yet be gathered, the new system appears to be working fairly well; but further experience is necessary before it can be pronounced an assured success.

30. Slavery.

Captain McMurdo writes:—

"Considerable progress has been made during the past year in further minimizing the Slave Traffic in the Soudan, and information has reached me from many sources that the traders are finding more and more that many difficulties and dangers surround their once remunerative trade. The steady advance of civilization, the growing improvement in the means of communication, and the general opening up of the Soudan are in themselves strong factors in aiding the abolition of slavery. The British inspectors of the Slavery Department have shown untiring energy in finding out and becoming acquainted with the devious and intricate routes used by the slave-traders to convey their victims through the vast maze of the Soudan. The increase in the number of slavery posts, necessitating, as it does, more frequent inspection and patrolling, renders the transportation of slaves a far more difficult and risky matter than it was heretofore.

"A considerable time, however, must elapse before the ancient custom of slavery, which is still deeply rooted in the lives of the inhabitants, can be altogether done away with. The most important step towards its abolition is that the natives should fully realize that the Slave Traffic is contrary to and punishable by law, and this is being reached slowly, but surely. Regarding the other salient point, viz., domestic slavery, the Arabs will, in time, realize that their former slaves must develop into paid domestic servants, and that they themselves must gain their own livelihood. Then, and not until then, will the Soudan be able to show a clean bill of health as regards the plague of slavery.

"During my tour of inspection this last summer, I had intended visiting the Bahr-el-Ghazal province, but I was unluckily unable to do so. I, therefore, know little more about the slavery question in that district than I did when I wrote my note for 1904.

"I visited, however, all the Government stations on the White Nile from Tewfikia to Lado, and from the information which I collected respecting slavery in those parts, I am strongly of opinion that it is practically non-existent in the Upper White Nile provinces; the vast 'sudd' district appearing to act as a barrier between the slave-dealers of the north and the negroes of the south.

"Last June, I proceeded by steamer up the Sobat and Baro Rivers as far as Gambela, the recently-established trading station, which is situated at the foot of the Abyssinian mountains. All along this portion of the frontier slave-trading is carried on with all its attendant horrors."

The victims appear to come mainly from the Anuak tribe, who inhabit the country north of the Baro River. Under the delimitation of the frontier made in 1902–03, this tribe was split into two portions, one of which lives in Soudanese and the other in Abyssinian territory. It appears clear from Captain McMurdo's report that anti-slavery operations on the Upper Nile can never be thoroughly successful until, by some means or another, slave-raiding can be stopped among the Anuaks. Representations on the subject are about to be made to the Abyssinian Government, with a view to seeing whether some satisfactory arrangements cannot be concerted.

I have on former occasions frequently referred to the difficulties of stopping the Slave Trade which is carried on between the Soudan and the Arabian coast. One of these difficulties consisted in the insufficiency of the preventive force at the disposal of the Department. This force has now been increased.

"I purpose," Captain McMurdo writes, "establishing in 1906 a British Inspectorate in the Suakim district. With the force of about 90 mounted men which the Inspector would have at his command, he should be able to keep an efficient watch of the mountain country and coast-line from Jebel Elba (lat. 22° N.) to Ras Kassar (lat. 18°). As this portion of the coast is the principal outlet for the Slave Trade from the Soudan, and as I am most sanguine that in a couple of years' time the exportation of slaves from the Red Sea will be practically impossible, I hope that then at last the Slave Trade from the interior will have received its death-blow.

"In the coming year also the Kordofan force of my Department will be increased by one British Inspector and about 40 mounted men. Up to the present time, it has been impossible to deal with the Slave Trade in this district adequately, by reason of the vast size of the country and the truculent nature of the inhabitants; and I confess that I am sceptical of much being effected until the Government has a firmer hold on these semi-independent and often hostile tribes. They like fighting for fighting's sake, and I

fear that there will be no absolute security and durable peace in this country until a local militia of at least 2,000 rifles has been raised and placed in occupation of the various big tribal mountain strongholds.*

"On the eastern side, Mr. Gorringe is doing good work up the Blue Nile and in the Sennar province. He has a very thorough knowledge of the country and the people, and few slave-dealers escape his vigilance.

"Mr. Wilkinson is in charge of the Ghezireh and Atbara districts, and practically links up the cordon of the east to that of the west."

I have only to add that 67 slave-dealers were captured in the Soudan from the beginning of 1905 up to the 1st September in that year. They were tried, and 58 were convicted. Six of them were sentenced to a few months' imprisonment. The remainder received sentences varying from seven years to one.

31. Woods and Forests.

During the past year, four tracts of an aggregate area of 83,300 acres, or 130 square miles, were selected for reservation. They contain mostly forests of sant (*Acacia Arabica*). Other reserves are much required, but the want of an adequate staff is a somewhat serious obstacle to rapid progress in this direction.

I am glad to be able to record that only about 76,000 cubic metres of firewood were used in 1905, as compared to about 83,000 cubic metres in 1904. There are, however, special reasons to account for this diminution. It is to be hoped that now that railway communication is established with the Red Sea, coal will be more frequently used, and that the demand for firewood will be reduced. Mr. Broun, however, is not sanguine that the construction of the railway will make much difference in this respect.

A Forest Ordinance is being prepared. I conceive that the main difficulty will be not to draft a law, but to get it obeyed.

32. Preservation of Game.

Last year, 2,115 head of game were killed in the Soudan.† Of these, 1,847 were killed by residents, officers, and officials, and 268 by visitors.‡

It will be borne in mind that, for purposes of preservation of game, the whole of the Soudan is divided into three categories; first, a sanctuary, where no one is allowed to shoot; secondly, an officers' reserve; and thirdly, the rest of the country, which is free to all sportsmen.

The sanctuary was kept practically inviolate during the past year. Two tiang and two white-eared cob were killed for food by the Governor of the Upper Nile province. Also, three or four oribi were shot by the members of the American Mission. So far as can be ascertained, with these exceptions, no game at all was killed within this district.

No special permission to visitors was given to shoot in the officers' reserve. It is in contemplation to place a limit of time to the period that shooting parties may pass in the reserved district.

During the past year, only one slight accident occurred to an European. An officer was charged by a leopard, which he had wounded mortally, but, after receiving some severe bites, he managed to throttle the animal with his hands. Amongst the natives, who are less well armed, accidents are more frequent. Mr. Butler reports a case of an Arab who attacked a lion with only a spear, and killed it with a single thrust, but was himself killed by a blow delivered simultaneously by the paw of the animal.

It has to be remembered that, in some respects, sportsmen do a good deal in the way of preserving game. Thus, last year, 33 lions and 15 leopards were killed. Mr. Butler estimates that these animals would, in the course of the year, have killed over 1,700 antelopes of different sorts.

Mr. Butler concludes his report in the following terms:—

"There must to-day be many hundreds of thousands of game animals in the whole

* See remarks on this subject under the head of "47. Kordofan."

† This figure includes 114 head killed in 1903–04 by seven officers whose returns were not received in time to be included in the report of 1904.

‡ The detail of the animals killed can, on application, be furnished to any society or individual who is specially interested in the subject.

of this country, and the annual increases by birth and decreases by death would be in tens of thousands at least.

"At present, the quantity of game killed yearly by shooting may affect certain localities, but it is not large enough to make much difference to the general stock of game in the country. Our endeavours must be to see that it does not become so.

"Perhaps in no country newly occupied by Europeans has the destruction of game been so moderate as in the Soudan during the last five years. But the spread of civilization, with its attendant increase of population, of cultivation, and of domestic cattle is bound in the future to reduce the game greatly in many districts. In order that it may hold its own in other parts, it is essential that the operations of sportsmen should be kept a comparatively small factor in the general decrease."

VII. PUBLIC HEALTH.

33. Public Health.

The campaign against malaria, to which I have alluded in my previous Reports, is being continued in most places throughout the country.

Vaccination is being vigorously pushed. At least 50,000 persons were vaccinated last year, as against 12,000 in 1904 and about 7,000 in 1903.

Dr. Christopherson, the head of the Civil Medical Department, writes thus hopefully about public health:—

"It is possible," he says, "to strike a cheerful chord this year. The Soudan is not the fever-stricken, small-pox ravaged country, into which the Egyptian diseases (Ophthalmia, Bilharzia, and Anchylostoma) are rapidly being introduced, while sleeping-sickness is advancing, cholera and plague threatening Port Soudan, and leprosy creeping in from the west.

"What are the facts? There are five provinces at least which are practically free from the malaria infection—fever cannot originate there—namely, Halfa, Dongola, Berber, Khartoum, and Suakin; and, with the introduction of suitable dwellings and energetic mosquito brigades, other provinces will be freed from malaria. Small-pox shows itself occasionally, but if the country can be vaccinated throughout, small-pox will disappear. Great advances have been made towards this end during the last year or two. The carrier of sleeping-sickness has been caught in Soudan territory, it is true, but so far not a single case of sleeping-sickness has been imported. Quarantine regulations have been instituted for Port Soudan and for the Soudan generally; and the arrangements at Halfa have been so far successful that plague and cholera have been kept out. Egyptian Ophthalmia is decidedly uncommon, and Bilharzia and Anchylostoma, the two principal Egyptian diseases, have not taken hold of the natives to any extent. Lastly, the natives are amenable to medical treatment, so that there is little difficulty in carrying out measures for the security of the country against epidemics, so far as active opposition from the people is concerned.

"The Bahr-el-Ghazal must be excepted from this general statement, on account of our present want of knowledge of the character of its peoples, and that of the people of the Eastern Soudan, who are also still timid and suspicious."

It is satisfactory to know that the natives of the country are gradually gaining confidence in the hospitals. A native correspondent recently wrote to the "Soudan Times" in the following terms:—

"A few years back, the arrival of a medical officer in a village meant a general alarm; everybody sought a hiding-place. Now, things have changed in such a manner that native patients flock to the hospital to be treated."

As complaints are sometimes made in Egypt about the number of Syrians who are employed in the Soudan, I may mention that every endeavour has been made to attract Egyptian doctors to that country, but without success. The result is that the Government of the Soudan has been obliged to fall back upon the Syrian supply.

34. Cattle Plague.

I regret to say that, after an interval of more than three years, the Soudan has again become infected with cattle-plague. It was introduced from the neighbouring province of Erythræa. The number of deaths reported, up to the end of last November, in the provinces of Kassala, Suakin, and Berber, was 5,739. Lieutenant-Colonel Griffith, the Chief Veterinary Officer of the Soudan Government, reports:—

"The measures adopted to prevent the spread of the plague, namely, quarantine, patrols, stopping movements of all cattle in infected districts, &c., have hitherto been successful, and the disease has been kept within certain areas. . . . . The outlook at present is much better than it has been since the commencement of the outbreak, as the disease is under control, and there are now very few infected centres."

35. Tsetse Fly Disease.

It was at one time thought probable that the cattle of the Upper Nile province were infected with the Tsetse Fly disease, and that if they came north, they might infect other provinces. Accordingly, Lieutenant-Colonel Griffith and Dr. Balfour were deputed to proceed up the Nile to inquire into the subject. Lieutenant-Colonel Griffith now reports:—

"Only those cattle from probable Tsetse Fly regions were found suffering from the disease; it apparently dies out of the system on removal from infected areas; hence there is little danger in bringing these cattle northwards."

VIII. JUSTICE.

36. Civil and Criminal Courts.

I have in previous Reports fully explained the general principles which have guided the Government in the establishment of a judicial system in the Soudan. Broadly speaking, it may be said that military officers are employed to a considerable extent in the administration of criminal, and to a less extent in the administration of civil justice. Civilian Judges are being gradually introduced, and now deal with all the more important civil cases.

A Court, over which a civil Judge presides, has been established at Khartoum, and also at Suakin, which hears all civil cases except small causes. For the disposal of civil cases in the other provinces north of Khartoum, namely, Halfa, Dongola, and Berber, a circuit has been arranged. Each of these provinces was visited by a civil Judge three times in the course of last year.

As regards criminal justice, Mr. Bonham Carter observes:—

"Criminal trials, so far as I have been able to judge from the proceedings which came before me in the course of last year, continue to be conducted with care and justice, and it is not often that I have occasion to differ from the verdict, though revisions of the sentences are frequent. Instructions are sent, as occasion arises, to Magistrates, laying down the principles to be followed in determining the length of sentences. The training in military law, and the practical experience of courts-martial, possessed by British officers are of distinct value to them in the performance of their judicial duties as Governors and Inspectors."

37. Mohamedan Law Courts.

Considerable difficulty is being found in obtaining competent men to fill the vacancies in the Mohamedan Law Courts; but, Mr. Bonham Carter says:—

"I consider it due to the Judges to say that, although, from a European standard, their salaries are low, in the course of six years no case of bribery has ever been brought to my notice."

The Grand Kadi (Mohamed Haroun Effendi) is a most enlightened man, and continues to co-operate cordially with the British authorities in the Soudan. I pointed out in my last Annual Report (p. 132) that the most happy results were to be anticipated from this co-operation. I would again insist on this point. The real obstacle to the reform of the Moslem Law Courts in Egypt consists in the fact that the most unfounded suspicion is entertained that the Government, under European auspices, wishes, in one form or another, to introduce changes into the immutable Law of Islam, which forms an integral part of the Moslem religion. My firm conviction is, that if the system now adopted in the Soudan is continued for a few years, the Moslem Courts in that country will be far superior to anything which exists in Egypt.

IX. EDUCATION.

38. Education.

There were, at the close of last year, 1,533 boys under instruction at the various Government schools in the Soudan. Of these, 392 were at the Gordon College, 229 at the higher elementary schools, 29 at the training colleges at Omdurman and Suakin, and 723 at the elementary vernacular schools, which have now been established at thirteen different centres.

As a separate Report is published every year on the working of the Gordon College, my remarks as regards that institution need be but very brief. A new wing is in course of construction, which will afford additional accommodation for the Higher School. It is intended that this school shall ultimately have two sides—literary and technical. The literary side has not yet been organized. The technical portion of the school has been in operation for some while. It is made up of two divisions, namely, (1) a special survey side, and (2) a section intended to turn out subordinate engineers and first-class overseers, with qualifications of a kind which will enable them to find employment in the Irrigation Department and the Department of Public Works. About forty boys, who have passed through the College, are already employed by the Survey Department. The Director of Surveys reports favourably on almost all of them. The whole of the boys of the Higher School receive their workshop training at the instructional workshops, which were fitted up by the liberality of Sir William Mather, and which—as I can testify from having myself paid them a visit—are of the utmost value to the country. These boys, Mr. Currie says, "work side by side with embryo artizans."

Besides the higher elementary school, which is located in the Gordon College, schools of a similar nature exist at Omdurman, Halfa, and Suakin. These afford instruction to 229 boys. Provision has been made in the Estimates of the current year for the opening of another school of the same description at Wad Medani. Possibly, in 1907, another higher elementary school will be created. It is calculated that, if this is done, the out-turn from these schools will be about 200 boys a year, which, Mr. Currie thinks, "should be enough for all purposes."

The following remarks from Mr. Currie's Report are interesting as showing the effect likely to be produced by the construction of the Nile–Red Sea Railway on educational progress. "Improved railway facilities," he says, "will render concentration much easier, and will make lads in the Eastern Soudan much less averse to coming to a higher school at Khartoum. So far, no Suakin boy has been willing to seek employment outside the Eastern Soudan, where the demand for their services is very keen."

The Training College for Teachers and Kadis, which is attached to the Gordon College at Khartoum, is doing excellent work. A Mohamedan graduate of the Cairo Law School has been appointed to give two lectures a week to the senior students on the administration of civil law, and the points of administrative contact in the Soudan between the civil and religious codes.

The second Annual Report of the Wellcome Research Laboratories, which are also located in the Gordon College, is now ready for publication. Mr. Wellcome, the original donor of the laboratories, is now, I am glad to say, a Governor of the Gordon College. It would be difficult to exaggerate the amount of good which is being done to the Soudan by his munificent gift.

I have mentioned in previous Reports that in some localities the population was disposed to pay a local rate for schools. The principle of levying such a rate has now

been sanctioned. A beginning will be made in the Blue Nile province and in Sennar. The precise method in which the money will be applied is under consideration, but I have no doubt that its application will be strictly limited to elementary vernacular and technical education. I do not doubt that the adoption of this principle will be most in conformity with the wishes of the ratepayers. "Whatever local policy may be adopted," Mr. Currie writes, "the Kuttab is the key of the situation."

I should add that in the course of last year Mr. Crowfoot, of the Soudan Education Department, went on a mission to Bosnia, to study the system of technical education adopted in that country. He has written a most interesting Report, which considerations of space alone prevent me from reproducing in full. It is abundantly clear that that very eminent statesman, Baron von Kallay, who for so long ruled over Bosnia, achieved a remarkable success in a direction where success was extremely difficult to attain. He introduced European technical instruction, without destroying the old indigenous arts and handicrafts. I fear we cannot rival this achievement in Egypt.* The existing arts and handicrafts in the Soudan are without doubt in a very backward condition, compared to those which the Austro-Hungarian Government found in Bosnia; but I am convinced that, under the fostering care of Sir Reginald Wingate and his staff, everything that is possible will be done to prevent their decay.

X. PROVINCIAL ADMINISTRATIONS.

39. Introductory.

In accordance with the practice of former years, I proceed to give some extracts from the Reports of the Governors of the various provinces in the Soudan. The extracts are necessarily brief, and scarcely afford an adequate idea of the mass of useful information contained in these Reports, all of which, I should remark, bear strong evidence of the energy, zeal, and intelligence of the officers engaged in the administration. I should add that, in addition to this summary, which is intended for publication, I write a careful review to Sir Reginald Wingate on each Report, dealing in detail with the various subjects brought to the attention of the Government by the Heads of provinces.

40 Bahr-el-Ghazal.

The area under cultivation in this province is increasing. The people are taking to wearing clothes more than formerly, and their material condition is improving. The Dinkas are the only tribe who, in the least frequented parts of the province, are still inclined to hold somewhat aloof from the Government.

In various directions there are some signs of improvement, but Captain Sutherland remarks with great truth that "little can really be done until communications are much improved." Captain Sutherland will, without doubt, receive the grant of £E. 1,000, which will be given to each of the Mudirs for local expenditure, and with this sum I trust something may be done in the way of making roads.

Cotton has been grown experimentally in this province, but years must elapse before it can be exported and sold at a profit in the markets of Europe.

"The general health," Captain Sutherland reports, "will certainly improve amongst the employés of the Government when proper housing arrangements are made. One of the greatest causes of fever is the fact that new-comers are often unavoidably delayed in the bad mosquito swamps at Meshra and Shambé."

41. Berber.

Major Sir Henry Hill writes:—

"The material condition of the people is greatly improving. This is most noticeable in the Robatab district, which is the poorest in the province. There is a good deal of

* See remarks in my Egyptian Report under the head of "105. Technical Education."

ready money in this district now, which has enabled the people to pay their taxes and keep their crops, instead of selling the latter standing at indifferent prices. The money comes principally from the railway, where numbers of these people have been working, and is also due to their own provident ways. . . . . In general, the population are better clothed and better houses are being built. . . . . In the southern portion of the province, the number of sakias has greatly increased."

As regards the Fadlab Estate, which is owned by Mr. A. Grieve, Sir Henry Hill writes that the results of the experimental farm have shown that "most crops do not yield well in the first year, except wheat and cotton; also that cotton in this district should be planted early—say, in May to the end of June. Only a little cotton was planted in June, but it was a complete success." Sir Henry Hill adds:—

"I am of opinion that cotton-growing will make no great progress in this province for the present. Not a single case occurred last year of any one trying to cultivate it according to the instructions issued verbally and in writing, though every one said he would do so. The native, at present prices, finds it more lucrative to grow wheat, barley, &c."

I personally visited the Zeidab estate, where Mr. Leigh Hunt appears to be doing some excellent work, but the matter is still in the experimental stage. The few negroes, whom Mr. Leigh Hunt brought from the United States, have done well, and their relations with the natives are very satisfactory. They work as blacksmiths, carpenters, &c.

As regards education, Sir Henry Hill describes the attitude of the natives as "very variable, but no longer mistrustful." Here, as elsewhere, the better class natives see the value of education, but are disinclined to pay anything for it. Sir Henry Hill writes:—

"I regret to say that two of the three locally supported schools, which were started last year, are not so well supported by the inhabitants as was expected. They guaranteed £E. 30 a-year to pay the teachers, but that amount has not been forthcoming. However, I hope for better results this year."

42. Blue Nile.

This is a new province. It was formerly included in the Ghezireh Mudirieh.

The population has been somewhat severely tried of late years. Major Dickinson writes:—

"Four years of deficient rainfall had reduced the resources of the people of the northern half of the province to a low ebb. . . . . The winter emigration to the more fertile districts of Sennar was, in 1904–05, perhaps more extensive than usual. When, towards the end of June, the early rains began to tempt the people back, and the early grass which was to provide the grazing for their animals began to appear, flights of locusts passed, which left not a blade of young grass above ground. Stores of dhurra—which, with the milk of grazing flocks, had been designed to provide the food of the people for the three months before their rain crops should ripen—had to be broken in upon to save their animals. Finally, these resources came to an end. The remnant of the animals that had been brought north struggled back to the pastures of the south—others died."

Towards the end of August, heavy rains fell. "Tents of the nomad Arabs were carried away, and animals in great numbers were drowned." Major Dickinson says that in one spot he counted 500 animals of all sorts lying dead, and the total loss must have amounted to some thousands. "Loss of this sort is, however," he adds, "a small thing in the eyes of the natives compared with the promise of abundant crops given them by the floods, and, if their hopes are realized, this damage will very soon be repaired." The Government, I should observe, distributed dhurra seed on loan

Major Dickinson alludes to "indications of a satisfactory change in the state of native opinion on certain points." The riverain Arabs no longer rely so much as heretofore on slave labour. "The new conditions are driving them to see the necessity, and to forget the supposed indignity, of personal work. The sharp lesson which has this year been taught to the people of the Kamlin district by their temporary want has increased the number of shadoofs from 90 to 248."

The following remarks are highly illustrative of the ideas which prevail amongst certain sections of the population of the Soudan:—

"The Batahin Arabs," Major Dickinson writes, "have long laboured under a reputation of the worst kind. As slave-dealers, cattle and camel thieves, they have an

unenviable notoriety. In an interesting report rendered by the Mamour of Abou Deleig, he attributes much of this to feminine influence. The readiness to steal and rob is, in the eyes of the Batahin women, a sign of manliness; and the young man who is unwilling to run this risk on their behalf has little chance of finding favour in their eyes. One of them said, 'Theft, in our creed, is no disgrace.' That this is, indeed, the case is shown by the elaborate training in camel theft, which it is the pride of the Batahin to show off in mock exhibition to their visitors. Things are, however, now rapidly improving. The increasing, plain, and imminent risk, which is run by thieves, begins to damp the ardour even of the most enthusiastic."

A large area of the experimental farm at Kamlin was planted with Egyptian cotton in the autumn of 1904. Messrs. Carver, who bought 650 kantars of the crop, report as follows:—

"The quality is very satisfactory, clean, handsome, brown in colour, good length staple, even, and strong. Value, equal to good Egyptian Afifi. Such quality would be very acceptable to cotton spinners in England."

It is to be anticipated that a considerable local market will be found for cotton grown in the Soudan from Egyptian seed. "The native women find the long-stapled Egyptian cotton infinitely less trouble to work up for weaving than the indigenous variety. It appears to go three times as far with them. There is no doubt that all their influence will be used in favour of the Egyptian variety." A local market was found for about 100 kantars grown by the natives in the Rufaa district, at prices which ruled at about P. T. 80 per kantar, as compared with P. T. 66 offered by Messrs. Carver.

Major Dickinson reports that "an auspicious start" has been made in organizing a local police force. The results of this important experiment will be watched with interest, both in this province and elsewhere.

As regards education, there is nothing very special to state; but I observe, with some amusement, that at the Rufaa school "Association football is played with great verve and vigour."

Major Dickinson concludes his report by remarking that "the greatest present need of the province is an adequate English staff. At least four more English Inspectors are required."

43. Dongola.

Colonel Jackson writes:—

"The people, realizing the advantages which will be open to them on the completion of the railway from Abou Hamed to Kereima, have set to work with a will, and are devoting their energies to the cultivation of their lands and of date trees. During the past year, some 4,000 acres have been taken back by the inhabitants, which they formerly had given up to the Government, being unable to cultivate them; 274 new water-wheels have been added to the province, *i.e.*, 6 per cent. more wheels than in 1904. These are two sure signs of increasing prosperity. . . . . In past years, the collection of the taxes was attended with great difficulties, the people doing their best to avoid or defer payments. These practices are, however, disappearing. The work of the tax-collectors is annually becoming easier, and, at the end of each year, in place of large outstanding arrears, there remain but small amounts to be paid in. The total amount of land tax due in 1904 was £E 19,215. Of this, all but £E. 35 was collected within the year. The date tax due during 1904 was £E. 6,993. It was all collected. There were no arrears."

The following incident, related by Colonel Jackson, is illustrative of the remarkable skill shown by native trackers in bringing guilty parties to justice:—

"A shop in Merowe was robbed during the night and a case of sugar stolen. The ground in the vicinity is composed of soft sand. The trackers examined the spot early the following morning, and soon picked up the tracks of two men and a donkey, which they followed to the Government stables. All the syces were paraded before the trackers, who picked out the Governor's syce and the syce of the Staff Officer as the owners of the tracks. The donkeys were then mustered, and the trackers picked out the Inspector's donkey as the animal whose tracks they had followed. The stables were searched, and some loaves of sugar discovered. Further search was then made, and the remainder of the stolen sugar was dug up close by. The two syces were tried and confessed. They stated that, finding the box was too heavy to carry, they had used the Inspector's donkey."

44. Halfa.

The province, and even to a greater extent the town, of Halfa may be said to be passing through a period of transition. In the first place, it has been affected by the closing of the line which previously ran to Kerma. This has increased the cost of transport of dates. The loss, as was to have been anticipated, has fallen mainly on the producers. Now that the Abou Hamed–Kereima line is about to be opened, the greater portion of the dates will probably go westward instead of, as previously, to Wadi Halfa. In the second place, it is difficult to foretell what will be the effect on Halfa trade of the new Nile–Red Sea Railway. My own belief is that passenger traffic will for the most part continue to pass through Wadi Halfa, and that, although goods imported into the Soudan from Europe will probably go to Port Soudan, there will still remain a considerable trade in imported goods from Egypt. This, however, is mere conjecture.

The inhabitants of the province of Halfa are Berberines. They supply a large proportion of the servant community in Egypt and the Soudan. Large numbers are absent the whole year, except during the date season, when they return to their villages, sell their date crops, and go away again.

It is at Halfa that the tide of European immigration into the Soudan can best be watched. I stated in my last Annual Report (p. 145) that, exclusive of tourists, 311 foreigners passed through Wadi Halfa during the year 1904 on their way to the Soudan. In 1905, the number increased to 611 persons.* The nationalities were as follows :—

Nationality.	Number.
Greeks	285
Syrians	76
Bosnians†	66
Italians	47
Other nationalities	137
Total	611

I note with pleasure that a considerable number of Europeans were professional men and artizans, and that there was no excessive number of the class called "merchants," who, as a matter of fact, are often drink-sellers or usurers.

The report from Mr. Iles, the Acting Governor of Halfa, states :—

"The price of labour is steadily rising in the province, and has naturally been affected by the great demand for the Nile–Red Sea and Kereima Railways. The large number of labourers imported from Egypt has nevertheless prevented an absolute drought, and the various mining enterprises have so far found no difficulty in obtaining as many men as they required, except during the date season."

As regards the relations between the Mining Companies and the natives, Mr. Iles says :—

"The remarks made in the Annual Report of last year‡ still hold good. No complaints of any sort, either from the Mining Companies or from the natives in their employ, have been brought to my notice during the time I have been here."

I should, however, observe that in the neighbouring province of Dongola a savage attack was made on two British engineers in the employment of the Nile Valley Company by some native boatmen. One of them (Mr. Winterton) died from the wounds he received, and the other (Mr. Bowden) was severely wounded.

As regards education, Mr. Iles' Report is very similar to those which are received from other quarters. "The more enlightened inhabitants of the province are very favourably disposed towards education, and are quite prepared to accept any reasonable scheme proposed; but the majority are apathetic, and not inclined to favour any proposal that will directly affect their pockets. On the other hand, were a small tax imposed with the definite object of founding Government 'kuttabs,' I do not think it would be at all resented"

* This figure is exclusive of tourists who arrived before the 1st April, and of Government officials.

† An attempt was made to induce some Bosnians to immigrate into the Soudan. It was not, however, a success. They found the climate too hot, and their clothes unsuitable to manual labour in the sun.

‡ See p. 145 of my last Annual Report.

45. Kassala.

A prosperous and, I trust, not very distant future ought to lie before the province of Kassala. Everything depends, first, on irrigation works upon the River Gash—as to which it will be necessary to come to terms with the Erythræan authorities—and, secondly, on the extension of the railway, which will not present any great difficulties when once the funds are available.

The province has recently suffered a good deal from cattle plague, which was introduced from Erythræa. Colonel Wilkinson estimates that over 4,000 beasts died. In spite of this visitation, however, he says :—

"The general situation is satisfactory, and the population are contented and happy, as is shown by the prompt way in which taxes have been paid into the Treasury, by the very few applications received for reductions or remissions, and by the absence of complaints."

The rapid rise in the Post Office receipts is a sure indication of progress. During the first nine months of 1904, they amounted to £ E. 24,759; during the corresponding period of 1905, they were £ E. 28,306. A great improvement in the roads throughout the province has been made during the past year.

As regards cotton, Colonel Wilkinson writes :—

"The efforts made to get the inhabitants to take up cotton growing as an industry have to some extent met with success. There has been a greater demand for seed than in 1904. I was, however, greatly disappointed with the lack of energy displayed by the native cultivators of the Gedaref, Gallabat, and Mefaza districts. With the exception of one or two Sheikhs, all who received seed were too lazy either to weed or water their crops. . . . . It may, however, fairly be expected that in 1906, when part of the land round Kassala will be brought under irrigation, there will be a very great increase in this industry."

Messrs. Carver reported favourably on the cotton which was produced. Some of it, they said, was "about equal to the best quality of Egyptian Abbassi."

46. Khartoum.

Colonel Stanton says :—

"During 1905, there was a steady and general progress throughout the province and city of Khartoum. The past year has seen the extension of the steam tramways to Omdurman, the construction of a new carriage road to the Mogren Ferry, along the Blue Nile, and of a road from Khartoum North due east, to connect eventually with Kassala. . . . . The main feature of the year has been the demand for and rise in the price of building land. It is no exaggeration to say that in most cases values have quadrupled during the past twelve months, while in no instance has the advance been less than double. Plots, which two years ago were bought and sold for £ E. 30 and £ E. 40, have this year changed hands at over £ E. 1,000."

I should add that the population of Khartoum, including Khartoum North, Omdurman, and the neighbouring villages, which in 1904 was estimated at 82,000, is now estimated at 87,000; and inasmuch as, when the census was taken, a large number of people were away in the districts, planting or tending their crops, Colonel Stanton estimates that this figure is largely under the mark.

The following extract from Colonel Stanton's Report may be of interest to British traders :—

"There is an increased demand for Manchester goods, cheap cutlery, &c. It is a pity that some British firm does not attempt to make tarbushes. At present, this trade is entirely in the hands of Austrian firms. The material of both the Turkish and Magrabi tarbushes is a soft felt, the same as is in use for felt hats in England; and as this head-dress is worn, in one form or another, by all officials and Sheikhs, and many natives, it seems a pity that some attempt is not made to capture this large trade."

47. Kordofan.

The area of this remote province is no less than 167,000 square miles. The southern districts, which are inhabited by Nubas, are still frequently disturbed. They

"rather enjoy a fight," Major O'Connell writes. The following extract gives a good idea of the state of things existing amongst this wild and ignorant population:—

"In December, Jebel Karko fired a few shots at the Inspector, but the matter was amicably arranged, the Nubas having mistaken the escort for a raiding party. The raids between 'Jebels' (mountains) have increased. The inhabitants of Jebel Kowalib and Jebel Nyima have been responsible for continual acts of savagery and violence. Inter-tribal fighting is reported from Jebel Kadero (Nubas) and from the country of Walad Hamed (Arabs). There has been fighting between the petty Meks in the Tagelle Mountains. At Baroki, the Dabab Arabs have refused to come in to account for the robbery of a Greek merchant. The Nubas in the, so far, unvisited mountains of Timin Katla and Fanda refuse to deal with the Government, and Jebel Masakin has refused to pay blood money due on account of raids. When all is said and done, these raids seldom result in more than half-a-dozen men being killed. . . . .

"Of course, there exist many mountains which have never yet been visited by a Government official. These pay, as yet, no tribute; nor will their Meks come to see the nearest Inspector. This really is due more to fear of the unknown than to the desire of resisting Government; as it must be remembered that their knowledge of the customs of former Governments would in no way tend to make them over-confident in a new Government, of which they know nothing."

It is most undesirable that a succession of punitive expeditions should be undertaken. At the same time, it is very possible that, if the military force were increased to such an extent as to impress the minds of the population with the power of the Government to maintain order, many of these raids would cease. The question is under consideration.

The description given above only applies to certain districts. In other portions of the province, the situation is much more satisfactory. "The area under cultivation," Major O'Connell writes, "and the flocks and herds continue to increase. Fewer people are seen in a nude or semi-nude condition; and the use of jewellery, which is a form of savings bank, has much increased. . . . . The condition of the nomads also continues to improve. Their flocks and herds have greatly increased in number. Many of them are, however, much perturbed by the gradual loss of their slaves, on whose labour they were formerly dependent for almost everything. . . . . The revenue has increased very rapidly, owing to the return of large numbers of the former inhabitants from the eastern provinces, where they went in Dervish times, and to the opening up of trade routes to to the Bahr-el-Ghazal and Darfour."

The following observations are perhaps worth noting by those who import European goods into the Soudan:—

"The trade in dry goods," Major O'Connell writes, "will not increase until a greater demand is created for civilized manufactures by the advance of the native idea of the necessities of life, their power of purchasing being still far greater than their expenditure. Many an Arab owns 200 cattle and only one shirt. . . . . I cannot help thinking that one of the reasons why the Arab purchases so little is the very indifferent character of most of the goods offered him, and their utter want of variety. I believe the theory that the native will only buy what he is accustomed to is carried too far."

It is most satisfactory to note that the health of the garrison at El-Obeid has greatly improved. In 1902–03, there were 868 admissions into the hospital; in 1903–04, 359; and in 1904–05, only 279. "The improvement," Major O'Connell says, "may fairly be put down to the large amount of work done here in hole-filling, drainage, and cutting down of long grass round dwellings."

As regards education, Major O'Connell reports:—

"With few exceptions, the natives are indifferent. They think that, if the Government wants to educate the children, the Government should pay the expenses."

48. Sennar.

Major Wilson writes:—

"The general condition of the people is distinctly improving, but in some matters they still require to be 'fathered' a lot, especially where land is concerned, several being only too willing to get rid of part or all of their patrimony at ridiculous prices, for the sake of a few pounds in their hand.

"The high price dhurra reached (P. T. 115 the ardeb of 300 rotls at Wad Medani) caused a certain amount of distress. This high price is caused by a few rich Omdurman merchants buying up all the dhurra, and making a corner in it. The cultivators

themselves are primarily to blame. Agents of these merchants go round the country, from about the 15th September, buying up dhurra wholesale before the crops are reaped or even ripe, and, by showing the cultivator gold, persuade him to enter into a contract to supply so many ardebs of dhurra at a ridiculously low price. On the coutract being signed, the cultivator receives about half the contract price for the dhurra in advance, and is quite pleased until eight months afterwards, when he finds himself without dhurra or money."

As regards the nomad tribes, Major Wilson says that they are yearly increasing in wealth, and that during 1905 there was no serious disease among their herds.

"Trade," Major Wilson reports, "generally has increased, and during 1905 a very considerable increase has taken place in the quantity of dhurra transported to Khartoum by steamer. The eagerness displayed by merchants to build good brick shops, instead of straw huts, is a good sign."

The difficulty of preventing all the land of the country from passing out of the hands of the natives into those of speculators is sufficiently shown by the following extract from Major Wilson's Report:—

"Presumably owing to the rumour that a canal is to be made some time soon in the Ghezireh, large tracts of land have been bought from the natives at the ridiculous price of P. T. 4 to P. T. 4½ an acre, by Khartoum merchants and others; some 50,000 to 60,000 acres having been bought by a single individual. None of the sales have been registered or recognized by the Government. If these sales were recognized, the after litigation would be appalling. The Mamur of Sennar has been told by the Sheikhs that the agents who buy the land have bought from people well known to possess nothing How far this is true, I cannot say."

49. Suakin.

The principal event of recent times in connection with the Suakin province is, of course, the opening of the Nile–Red Sea Railway, and the selection of Port Soudan as the terminus. Major Hawker writes:—

"I do not suppose that any person unacquainted with Suakin as it was when I first saw it, four years ago, could realize the extent to which everything has altered for the better since the railway works began. The conditions under which the people were living at the time of which I have spoken could scarcely have undergone a more remarkable change. Instead of enforced idleness and a dull market, there is general activity and brisk trade. Not only has regular employment been found for many who were without occupation, but still larger numbers have benefited indirectly, by the making of the railway and the building of Port Soudan. Trade, which had left Suakin, has returned, and must rapidly improve. The general attitude is one of contentment, and there are signs on all sides of increasing prosperity."

50. Upper Nile.

Major Matthews, writing on the 1st November, 1905, says:—

"The past year has been a hard one for this province, as the condition of the inhabitants throughout its area has been depressed, owing to the scarcity of food. The want of grain has seriously affected the general progress and development of Government."

Since this was written, good rains have fallen, and the prospects are now more favourable.

An immense deal remains to be done in this province, notably in the direction of improving communications and digging wells. Nowhere in the whole Soudan, probably, is the contrast greater between the improvements which might be made and the inadequacy of the means available for effecting them. Besides the question of want of funds, the apathetic character of the inhabitants must, of course, be taken into consideration. "Everything," Major Matthews writes, "must solely depend, for many years to come, upon the initiative of British officers." I fully agree; but it has to be remembered that this remark holds equally good elsewhere.

I stated in my Report for the year 1903 (p. 97), that the former Mek (Ruler) of the Shilluks had been deposed, for abusing his power, and oppressing the people in various ways, and that another Mek had been appointed in his place. Major Matthews now writes: "The new Mek is now a person of high authority in this province." It does

great credit to Major Matthews that he should have been able to effect this important change without disturbance of any kind. The policy which has been adopted is to make the Mek administrator, but at the same time to maintain a right of veto, which is used with much judgment, over his decisions.

The important Nuer tribe still holds aloof from the Government, and engages in constant inter-tribal disputes. Matters will probably improve when a road has been opened up into their country, which will enable the Chiefs of the tribes to come into personal contact with British officials.

I should add, before leaving the affairs of this province, that the establishment of a dockyard at Tewfikieh, at the junction of the White Nile and Sobat Rivers, marks an important stage in the development of communications with the southern portions of the Soudan.

51. White Nile.

This is a new province, formed partly from districts, which formerly belonged to Kordofan, and partly from others which belonged to the former province of Ghezireh. Mr. Butler, who is in charge, writes :—

"The general state of this province is, I think, showing signs of improvement. The people are anxious to get more land under cultivation, and those on the river are keen on constructing sakias. There has been no difficulty, up to date, in collecting the instalments of sakia loans when they fall due.

"Law and order are well maintained, and, with the exception of disputes about the ownership of land, the people are quietly disposed, and seem to have confidence in the Government officials.

"The cultivation of cotton has been disappointing, as almost the whole crop was eaten by locusts; but next year I hope we shall do better."

XI. SCIENCE AND ART.

52. The Museum.

Many valuable additions have been made, during the past year, to the Museum, which is located in the Gordon College at Khartoum. I have already, under the head of "Education," alluded to the Wellcome Laboratories. The researches of Dr. Balfour and Mr. Beam cannot fail to be of the utmost utility to the country. I should also mention that Mrs. Broun, the Honorary Secretary of the Museum, has rendered some valuable service in the direction of entomological research.

53. Archæology.

In the course of last year, a law was passed with a view to preserving the antiquities of the Soudan, and to preventing their export from the country without the knowledge of the Government.

Under the auspices of Mr. Crowfoot, who has been greatly assisted by Dr. Budge, of the British Museum, a commencement of an archæological collection has been made, the objects being deposited in the Museum.

54. The Amharic Language.

Mr. Armbruster, of the Soudan Civil Service, who has for some while past been employed as an Inspector in the province of Kassala, has made himself well acquainted with the Amharic language. He has compiled a very valuable vocabulary in English and Amharic. The Government has granted money for the purchase of the Amharic

type, and the work is now being printed in England. So far as I am aware, this will be the first work of the kind that has appeared in the English language. It may be hoped that the publication of this work will facilitate the acquisition of a knowledge of Amharic by more English officers, and thus prove useful in bringing about closer relations and improved communications between the Soudan and Abyssinia.

XII. CONCLUSION.

55. Conclusion.

The climate, the vast extent of the country, the absence of any easy means of communication save by the river, the want of water, and the sparseness of the population, are all so many natural obstacles which stand in the way of the rapid development of the Soudan. Time and good government will either remove, or, at all events, modify the intensity of some of these obstacles. On the other hand, as compared to Egypt, the Soudan starts with one supreme advantage in the race for regeneration. It is relieved from the incubus of internationalism. It was an auspicious day, not only for the Soudan but also for Egypt, when the eminent statesman who presided over the British Foreign Office seven years ago decided to brush aside all the numerous theoretical objections which could be urged against the Anglo-Egyptian Convention of the 19th January, 1899. That Convention forms the constitutional charter of the Soudan, and is the corner-stone of the foundations on which the fabric now springing into existence has been based. It was at the time foreseen that the creation of a status, hitherto unknown in the political or diplomatic world, would in practice give rise to numerous anomalies; but Lord Salisbury held that any inconvenience arising from these anomalies was of trifling importance when compared with the advantages which the three countries principally concerned—Great Britain, Egypt, and the Soudan—would derive from the acquisition of freedom from the complicated network of international institutions in which the Egyptian Administration was, and to a great extent still is, entangled. Time has justified his foresight. The anomalies which were anticipated have, indeed, been produced, but the minor difficulties and inconveniences to which they have given rise have not seriously hampered the work of reform, whilst, on the other hand, I have no hesitation in saying that the progress made in every direction during the last seven years has been infinitely greater than would have been possible had a political status been created which, whilst being perhaps more theoretically defensible, and more in conformity with conventional diplomacy than that to which the Convention gave birth, would have been relatively sterile of results, owing to the practical difficulties which would assuredly have arisen in the manipulation of the administrative machine.

I have, in the course of this Report, dealt with two of the principal difficulties which the Government of the Soudan now has to encounter. These are, the scarcity of labour, and the method of providing capital for the construction of large public works. I propose, in conclusion, to draw attention to some other points of importance.

In a country where not only the population generally, but, it is scarcely an exaggeration to say, almost every individual member of it, is *in statu pupillari*, the State is naturally called upon to perform duties which, in more advanced communities, are left to private initiative and action. That the Government should, to a certain extent in Egypt, and to an even greater extent in the Soudan, be of a nature which is usually characterized as highly paternal, is, I think, to be regretted; but I admit that, under present circumstances, it is unavoidable. I would, however, ask the very zealous and efficient body of public servants, to whose administrative efforts the people of the Soudan owe so much, to bear constantly in mind that, apart from the commonplace arguments which may be urged against paternal government pushed to an excessive degree, there are some things which no Government, whatever be the means of which it disposes, can successfully accomplish. There are economic laws which inevitably override the wishes and the regulations of any Government. There are limits to the protection which it is possible to afford to an individual against the consequences of his own folly. Government cannot regulate the price of food. It cannot fix a standard rate of wages. Again, although I fully admit that some attempt should be made to prevent the land from

passing out of the hands of the native proprietors, I am not altogether sanguine that this most unfortunate consummation can be obviated by direct interference or heroic remedies. "Legislation which cannot be enforced," as the Legal Secretary of the Soudan Government (Mr. Bonham Carter) very truly remarks in a recent Report, "is not only useless, but may be dangerous, by weakening the respect for the law." I, therefore, venture to warn the Soudan officials, with whose civilizing work I am proud to be associated, against yielding unduly to the temptation of supposing, when they see a glaring evil, that it is one which is certainly capable of being remedied by any Government action whatsoever. Whilst fully admitting that Government interference, to an extent which would elsewhere be considered excessive, is inevitable in the Soudan, I would appeal to them not to extend the scope of that interference beyond what the necessities of the situation absolutely demand, and to remember that an administrative machine which is over-weighted with a quantity of detail relating to the private transactions of every individual member of society, is likely to undergo a strain beyond what it can endure.

There is one further point to which I wish to draw attention. Nowhere is the exercise of that somewhat rare quality, a sense of proportion, more necessary than in the Soudan. With every wish to progress as rapidly as possible, it has to be remembered that the work of generations cannot be compressed into a few years. The field for reform in the Soudan is, indeed, very wide, but the main question to be decided—whether in respect to points bearing on the material or on the moral progress of the country—is generally not so much whether the adoption of any proposed measure is desirable as whether the moment has arrived for its execution, and whether, in point of relative importance, it should have precedence over other proposals.

This consideration is forced into special prominence in connection with the execution of public works. The large amount of money required for all the works which may be indicated as desirable cannot all be provided at once; neither, if it could be provided, could it be properly spent. The main question to be decided is what works come first in order of importance. On this special point I may, perhaps, enter into some little detail.

In the first place, I am quite clear that the main present financial requirement of the Soudan is to provide the money—not very large in amount—necessary to house properly those who are in the service of the Government. Apart from all other considerations, it may be said with perfect truth that the officials, whether European or native, constitute the most valuable asset in the possession of the Government. Adequate measures should certainly be adopted to enable them to live in a manner conducive to the preservation of their health.

In the second place, I am equally clear that, generally speaking, the construction of railways should take precedence of that of large irrigation works. The reason is that in many—probably in most—places the railways are necessary in order to transport the material, which will be required for the construction of dams and reservoirs.

In the third place, inasmuch as Egypt provides the capital for expenditure in the Soudan, it is only just that the Egyptian requirements for water should take precedence of those of the Soudan. When, therefore, the officers of the Irrigation Department are able to state with confidence what works they propose to undertake in the Soudan in order to improve the water supply of Egypt, those works should have precedence over all others. I may add that, although nothing definite can as yet be decided, it is probable that the Nile–Red Sea Railway will greatly facilitate the construction and diminish the cost of these works.

The adoption of this latter principle need not, and, I have every reason to believe, will not, retard unduly the execution of those works in which the Soudan, on its own account, is more especially interested. I explained, in a speech which I recently made at Port Soudan, that some minor irrigation works are about to be undertaken on the River Gash, that borings are about to be made with a view to bridging both the White and Blue Niles at Khartoum, and that surveys are in course of execution with the object of establishing railway communication between El-Obeid and Khartoum, as also with that of bringing Kassala into connection with the Nile–Red Sea Railway. When these surveys are completed, it will be a question for consideration whether funds can be made available for the construction of one or other of these works, which of them stands first in order of importance, and whether precedence should not be given to some other undertaking, such as the construction of a line of railway up the Blue Nile—a work which is an essential preliminary to the construction of any large irrigation works intended to fertilize the extensive tract of country known as the Ghezireh, lying

between the Blue and White Niles. Further, the desirability and possibility of constructing the large works contemplated by Sir William Garstin in the Upper Nile province—which are more especially intended to benefit Egypt rather than the Soudan—will have to be considered when once the engineers, who are now engaged in examining this important question, have sent in their reports.

I see no reason whatever why, in respect to this and other matters, the general programme, which has been conceived in the minds of those interested in the welfare of the Soudan, should not eventually be carried out; but I must conclude my Report with a warning similar to that which I have given in dealing with the affairs of Egypt. There must be no undue haste. The progress of the Soudan depends upon steady, continuous, unostentatious, and combined efforts along the lines of a well-defined policy, from which there should be no divergence.

I have, &c.
(Signed) CROMER.

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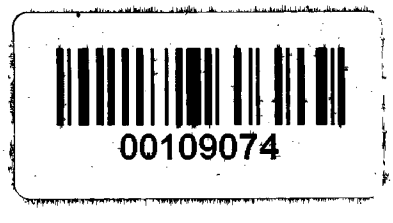
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